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Investing in rural people

## 2018 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

### Volume I: Main report

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Evaluation Committee – 102<sup>nd</sup> Session  
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#### Note to Executive Board representatives

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Executive Board — 124<sup>th</sup> Session  
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For: Review

# Contents

## Abbreviations and acronyms

## Executive summary

I.	Introduction and methodology	1
	A. Objectives	1
	B. Methodology	1
II.	Promoting accountability	3
	A. Evaluation coverage and classification of recommendations	3
	B. Implementation status: extent of follow-up	5
III.	Internalizing learning	7
	A. Areas of focus: addressing recurring recommendations through actions initiated for IFAD11 and beyond	7
IV.	Conclusions	10

## Annexes

I.	Comments by the Independent Office of Evaluation of IFAD on the 2018 PRISMA report	12
II.	Evaluation recommendations by theme mapped to IFAD11 commitments (2018 PRISMA)	15
III.	List of project level evaluations by entry into force, closing date and evaluation date	16
IV.	Long-term follow-up trends	17
V.	Follow up to recommendations from 2017 ARRI and IOE comments on 2017 RIDE	18

## Abbreviations and acronyms

ABC	Agribusiness Capital
APR	Asia and the Pacific
ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CPM	country programme manager
CSPE	country strategy and programme evaluation
DEF	Development Effectiveness Framework
ECG	Environment, Climate, Gender and Social Inclusion Division
ESR	evaluation synthesis report
ESA	East and Southern Africa
FMD	Financial Management Services Division
IE	impact evaluation
IFAD11	Eleventh Replenishment of IFAD's Resources
IFI	international financial institution
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean
M&E	monitoring and evaluation
MDB	multilateral development bank
MDDW	Minimum Dietary Diversity for Women
NEN	Near East, North Africa and Europe
NOTUS	No Objection Tracking System
OpEx	Operational Excellence for Results
ORMS	Operational Results Management System
PMD	Programme Management Department
PMI	Production, Markets and Institutions Division
PPE	project performance evaluation
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
PRiME	Programme in Rural M&E
RIDE	Report on IFAD's Development Effectiveness
WCA	West and Central Africa

## Executive summary

1. The fifteenth edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) reviews follow-up actions on recommendations made by the Independent Office of Evaluation of IFAD (IOE).
2. Management appreciates the important role played by independent evaluation in promoting accountability and learning, and thus in strengthening IFAD's institutional effectiveness and efficiency. Management is committed to ensuring the proper internalization of IOE's recommendations at the project, country and corporate levels in order to improve development results and performance.
3. In this regard, Management believes that the PRISMA provides an opportunity to promote accountability and internalize learning.
4. Number and types of evaluations covered. The report covers a total of 24 evaluations: 3 are evaluations for purposes of "historical follow-up" (i.e. second- or third-round reviews) and 21 are new evaluations finalized between 2016 and 2017. In terms of the types of evaluations, this year's PRISMA covers: 1 corporate-level evaluation, 4 evaluation synthesis reports, 10 country-level evaluations, 8 project-level evaluations and 1 impact evaluation.
5. Promoting accountability. Management's uptake of IOE recommendations continues to be high, at over 86 per cent. A disaggregated look at these results shows that 48 per cent of the recommendations have been fully followed up, 39 per cent are ongoing and 12 per cent are pending. Management has initiated a more rigorous follow-up and quality assurance process for evaluation recommendations, which is reflected in these follow-up trends.
6. Internalizing learning. The 2018 PRISMA identifies recurrent issues at the portfolio level that require targeted attention from Management at the corporate level. These issues have to do with the need to strengthen IFAD's targeting guidelines, mainstream cross-cutting themes throughout the project cycle, simplify project design to make it fit for context, strengthen resource and capacity support for non-lending activities, leverage the private sector and strengthen institutional capacities for implementation at the country level.
7. Management is pleased to see that the directions of its reforms and actions, as elaborated through the commitments of the Eleventh Replenishment of IFAD's Resources (IFAD11),<sup>1</sup> are well aligned with the recommendations made by IOE in recent evaluations. Management believes that these reforms and actions address the full range of issues that have been raised by the recommendations made in the evaluations included in the 2018 PRISMA.

### Conclusions

8. Management acknowledges and appreciates the efforts recently made by IOE to streamline its recommendations and believes that the successfulness of those efforts is reflected in the high level of follow-up. In order to ensure comprehensive follow-up, Management unbundles each recommendation; this results in a large number of sub-actions to be undertaken by Management. While Management highly values the independent analysis and recommendations made by IOE, it underlines the need to contextualize them within ongoing reforms under IFAD11 and to rationalize them to ensure that they are matched by sufficient human and financial absorptive capacity.
9. First, IOE could use the PRISMA to help guide its work programme by ensuring that its various evaluation products focus on the recurring themes identified in the PRISMA.

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<sup>1</sup> See GC 41/L.3/Rev.1.

10. Second, the timing of evaluations is of the utmost importance in enhancing the utility and uptake of recommendations. While Management greatly values the efforts made by IOE in conducting a wide range of evaluations, it would like to draw attention to the fact that, for the project-level evaluations included in the 2018 PRISMA, there is, on average, a three-year lag between project closing and the completion of the evaluation. This means that the recommendations may not still be fully relevant when the time comes for their implementation due to the evolving nature of country portfolios.
11. Third, Management is pleased to see that there is a great deal of overlap between the recommendations made by IOE and its own reform agenda. This is a further indication of the increasing robustness of the self-evaluation system, which has allowed Management to identify areas requiring further attention.
12. Finally, in this context, Management welcomes the peer review of the evaluation function and believes that it is an opportune time to improve the utility as well as uptake of IOE's recommendations.

# 2018 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

## I. Introduction and methodology

1. This is the fifteenth edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), which tracks follow-up on recommendations emerging from evaluations conducted by the Independent Office of Evaluation of IFAD (IOE).
2. The PRISMA is divided into two volumes. The first volume provides a synthesis of the follow-up actions taken in response to recurrent recommendations emerging from different evaluations, together with an analysis of the nature of those recommendations. The second volume lists the individual follow-up actions taken in response to each recommendation covered in the 2018 PRISMA.
3. Building on past experience, the structure of the 2018 PRISMA has been revised to contextualize it within ongoing reforms and is centred around the utility of the PRISMA as both an accountability and a learning tool.
4. Section I provides an overview of the objectives and methodology of this report. Section II focuses on the PRISMA as an accountability tool. It outlines the coverage of the evaluations included in this edition of the report and the overall implementation status of independent evaluation recommendations, including those made in the Annual Report on Results and Impact of IFAD Operations (ARRI)<sup>2</sup> and in comments on the Report on IFAD's Development Effectiveness (RIDE).<sup>3</sup> Section III focuses on the learning dimension of the PRISMA. In particular, this section outlines how IFAD is addressing recurring recommendations through actions initiated for the Eleventh Replenishment of IFAD's Resources (IFAD11) and beyond. Section IV presents the report's conclusions.

### A. Objectives

5. The PRISMA is an important tool within the self-evaluation architecture and has the following two main objectives:
  - (a) To promote accountability through rigorous follow-up with the relevant teams and consolidated reporting to the Evaluation Committee and Executive Board on Management's actions in response to independent evaluation recommendations; and
  - (b) To internalize learning by identifying recurring issues at the project, country, thematic and corporate levels that call for targeted attention from Management in order to attain improved development effectiveness.

### B. Methodology

6. The PRISMA tracks actions taken by Management in response to recommendations made in the following independent evaluation products:
  - (a) For corporate-level evaluations (CLEs), commitments are made by IFAD Management in the Management responses;
  - (b) For country strategy and programme evaluations (CSPEs), the agreements at completion point signed by IFAD and government representatives are used to track follow-up actions that signatories have agreed to implement;
  - (c) For impact evaluations (IEs) and project performance evaluations (PPEs), recommendations are extracted from the Management responses;

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<sup>2</sup> See EB 2017/121/R.9.

<sup>3</sup> See EB 2017/121/R.10 + Add. 1.

- (d) The PRISMA also follows up on recommendations from the 2017 ARRI and IOE's comments on the 2017 RIDE; and
- (e) This is the second year in which the PRISMA also tracks the follow-up on recommendations made in evaluation synthesis reports (ESRs).

#### Classification of recommendations

7. In order to facilitate the analysis, and in line with the practice in previous years, this report classifies the recommendations according to the following criteria:
8. Level. This refers to the entity that is targeted by the recommendation and that is primarily responsible for implementation. The usual levels are:
  - IFAD at the corporate level;
  - IFAD at the regional level;
  - IFAD at the country level; and
  - Partner country government authorities;
9. Nature. This heading categorizes the recommendation as per the revised IFAD Evaluation Policy:
  - Operational, if the recommendation proposed a specific action;
  - Strategic, if it suggested an approach or course of action; and
  - Policy, if it was related to the principles guiding IFAD.
10. Theme. The recommendations are listed by the themes corresponding to the four pillars of the business model<sup>4</sup> plus an additional theme dealing with specific technical areas. These are further divided into 36 sub-themes (see annex II).
11. Once the country teams (and cross-departmental resource people in the case of CLEs and ESRs) communicate the latest status, the degree of compliance is assessed using the following criteria:
  - Full follow-up: recommendations fully incorporated into the new phase/design of activities, operations or programmes and the relevant policies or guidelines;
  - Ongoing: actions initiated in the direction recommended;
  - Partial: recommendations followed up partially, with actions consistent with the rationale of the recommendation;
  - Not yet due: recommendations that will be incorporated into projects, country programmes or country strategic opportunities programmes (COSOPs) or policies yet to be designed and completed;
  - Not applicable: recommendations that have not been complied with because of changing circumstances in country development or IFAD corporate governance contexts or for other reasons;
  - Pending: recommendations that could not be followed up; and
  - Not agreed upon: recommendations that were not agreed to by Management or the respective country team or government.

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<sup>4</sup> Resource mobilization, resource allocation, resource utilization, transforming resources (see IFAD11/2/R.3).



## II. Promoting accountability

### A. Evaluation coverage and classification of recommendations

12. The 2018 PRISMA covers 24 evaluations jointly selected by Management and IOE, of which three have been covered by previous editions of the PRISMA (i.e. historical follow-up)<sup>5</sup> and 21 are new evaluations finalized in 2016 and 2017, as follows:<sup>6</sup>
  - (a) One CLE of IFAD's decentralization experience;<sup>7</sup>
  - (b) Four ESRs on: (i) smallholder access to markets;<sup>8</sup> (ii) what works for gender equality and women's empowerment;<sup>9</sup> (iii) IFAD's support to scaling up of results;<sup>10</sup> and (iv) IFAD's country-level policy dialogue;<sup>11</sup>
  - (c) 10 CSPEs: (seven new) the Democratic Republic of the Congo, Ethiopia, the Gambia, India, Nicaragua, Nigeria and Philippines; and (three historical follow-ups) Bangladesh, Brazil and Turkey;
  - (d) Eight PPEs for projects in the Democratic Republic of the Congo, Egypt, Guatemala, Malawi, Maldives, Nicaragua, Philippines and Sri Lanka; and
  - (e) One IE of a project in Mozambique.
13. Regional distribution<sup>12</sup> (excluding historical follow-up):
  - (a) Five are from Asia and the Pacific (APR), with an average of 11 recommendations per evaluation;
  - (b) Four are from West and Central Africa (WCA), with an average of 16 recommendations per evaluation;
  - (c) Three are from Latin America and the Caribbean (LAC), with an average of approximately five recommendations per evaluation;
  - (d) Three are from East and Southern Africa (ESA), with an average of six recommendations per evaluation; and
  - (e) One is from the Near East, North Africa and Europe (NEN), with five recommendations.
14. Number of recommendations from each type of evaluation. This year's PRISMA reviewed the implementation status of a total of over 95 recommendations, which were unbundled into 212 actions<sup>13</sup> (32 more than last year), from 24 evaluations (4 more than last year): 14 from one CLE, 23 from four ESRs, 101 from seven CSPEs,<sup>14</sup> 55 from eight PPEs and 7 from one IE. The average number of recommendations per type of evaluation was 14 from each CLE, about 6 from each ESR, about 14 from each CSPE and about 7 from each PPE.
15. With regard to historical follow-up, the PRISMA reports only on recommendations that have not yet been fully followed up. From the 3 evaluations in this category, 12 outstanding recommendations were included in this PRISMA: all 7 recommendations from the Bangladesh CSPE, 2 out of 15 from the Brazil CSPE and 3 out of 19 from the Turkey CSPE.

<sup>5</sup> This year, the PRISMA covers the second-round historical follow-up for the Bangladesh, Brazil and Turkey CSPEs.

<sup>6</sup> It includes CLEs and CSPEs with either Management responses prepared or agreements at completion point signed before 30 June 2017 and PPEs published before that date.

<sup>7</sup> See EC 2016/95/W.P.2.

<sup>8</sup> See EC 2016/94/W.P.6.

<sup>9</sup> See EC 2017/99/W.P.6.

<sup>10</sup> See EC 2017/96/W.P.6.

<sup>11</sup> See EC 2017/97/W.P.6.

<sup>12</sup> Includes PPEs, CSPEs and IEs.

<sup>13</sup> Management unbundles each recommendation to follow up on the specific sub-actions within each recommendation.

<sup>14</sup> Does not include the three CSPEs for historical follow-up.

16. Level assigned for follow-up. Given the larger number of project- and country-level evaluations covered by this year's PRISMA, 63 per cent of the recommendations have been assigned to IFAD at the country level. The remaining 37 per cent are divided among the corporate level, the regional level and government authorities. In previous years, recommendations addressed to government authorities were not included in the PRISMA. However, following up on IOE's recommendation on the 2017 PRISMA, recommendations made to government authorities have also been included and the corresponding follow-up is tracked in the current edition. These recommendations have been of pivotal importance in IFAD's dialogues with governments concerning the formulation of new COSOPs and projects and in relation to supervision and implementation.
17. In the case of CLEs and ESRs, all the recommendations are addressed to IFAD at the corporate level. In the case of the PPEs, IE and CSPEs, 18 per cent of the recommendations are addressed to IFAD at the corporate level and 76 per cent are addressed to IFAD at the country level. The remainder are split between government authorities (4 per cent) and the IFAD regional level (1 per cent). The distribution is shown in table 1 below.
18. In the case of the recommendations from PPEs, 25 per cent have been assigned to IFAD at the corporate level. This is primarily due to the inclusion of two post-tsunami disaster recovery projects in the Maldives and Sri Lanka, as the corresponding recommendations address IFAD's overall engagement in post-disaster situations at the corporate level. The remaining recommendations from PPEs have been addressed to IFAD at the country level and one to Government authorities.

Table 1  
**Number of recommendations by type of evaluation and level**

	<i>CLE</i>	<i>CSPE</i>	<i>ESR</i>	<i>IE</i>	<i>PPE</i>	<i>Total number</i>	<i>Percentage (%)</i>
IFAD country/government level	-	88	-	5	40	<b>133</b>	<b>63</b>
Government authorities and institutions	-	8	-	-	1	<b>9</b>	<b>4</b>
Corporate level	14	15	23	2	14	<b>68</b>	<b>32</b>
Regional level	-	2	-	-	-	<b>2</b>	<b>1</b>
<b>Total number</b>	<b>14</b>	<b>113</b>	<b>23</b>	<b>7</b>	<b>55</b>	<b>212</b>	<b>100</b>
<b>Percentage (%)</b>	<b>7</b>	<b>53</b>	<b>11</b>	<b>3</b>	<b>26</b>	<b>100</b>	

19. While 63 per cent of the recommendations are addressed to IFAD at the country level, in order for country teams to be able to fully follow up on the recommendations, support and guidance is required from the corporate level. For example, the CSPEs for the Gambia, India and Philippines call for greater engagement at the country level with the private sector. However, for the country teams to be able to strengthen engagement with the private sector, corporate-level support is needed in the form of relevant instruments (e.g. the introduction of the Agribusiness Capital [ABC] Fund) and an updated private sector strategy (which is an IFAD11 commitment).
20. Nature of recommendations. The recommendations are divided almost entirely between the strategic (36 per cent) and operational (63 per cent) levels, as can be seen in table 2 below. This division reflects the fact that a larger number of evaluations at the country/project level contain recommendations concerning specific types of actions. The remaining 1 per cent of the recommendations that have been classified at the policy level are addressed to IOE itself.

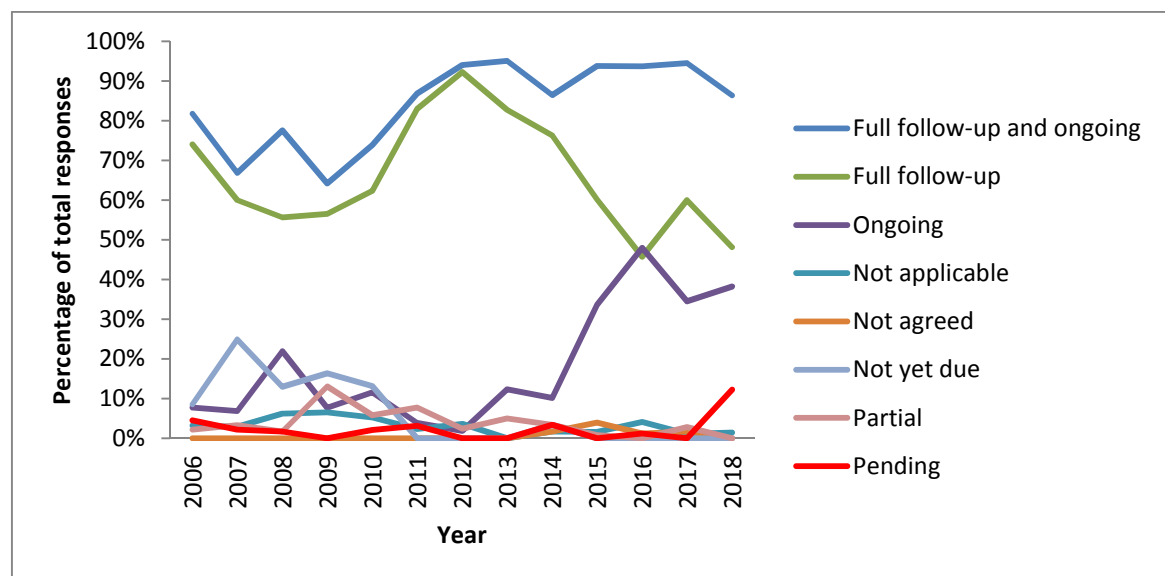
Table 2  
**Number of recommendations by type of evaluation and nature**

	<i>CLE</i>	<i>CSPE</i>	<i>ESR</i>	<i>IE</i>	<i>PPE</i>	<i>Total number</i>	<i>Percentage (%)</i>
Operational	9	68	12	5	40	<b>134</b>	<b>63</b>
Policy	-	-	3	-	-	<b>3</b>	<b>1</b>
Strategy	5	45	8	2	15	<b>75</b>	<b>36</b>
<b>Total number</b>	<b>14</b>	<b>113</b>	<b>23</b>	<b>7</b>	<b>55</b>	<b>212</b>	<b>100</b>
<b>Percentage (%)</b>	<b>7</b>	<b>53</b>	<b>11</b>	<b>3</b>	<b>26</b>	<b>100</b>	

**B. Implementation status: extent of follow-up**

21. As in the past, Management is strongly committed to the implementation of recommendations deriving from independent evaluations. This is manifested by the fact that 87 per cent of the recommendations are fully followed up or ongoing. Both the fully followed up and the ongoing categories reflect the fact that substantial, clear-cut action has been taken; in the case of the ongoing category, action has been initiated in the recommended direction, but more time is needed to fully implement the recommendation itself.

Graph 1  
**Long-term follow-up trends**  
 (Percentage of responses by implementation status)



22. While the full follow-up category is still larger than the ongoing category, as is shown in graph 1 above, the trend has changed somewhat since the previous year, with a slight decrease to be noted in the combined full follow-up and ongoing category. The main reason for this is the inclusion of a PPE and CSPE in the Democratic Republic of the Congo in the 2018 PRISMA. As the portfolio in that country is currently under suspension, a majority of these recommendations (12 per cent of the total) have been classified as pending until the suspension is lifted and activities in the country can resume.

23. Management is, however, taking concrete steps in conjunction with the Government of the Democratic Republic of the Congo to resolve the outstanding issues as quickly as possible. A joint portfolio review workshop was held in the country in May 2018, and in order to improve portfolio performance in the country, IFAD and the Government have agreed on the need to ensure close follow-up of

the programme's implementation by means of: (i) a yearly joint portfolio review, as recommended by IOE; (ii) regular joint follow-up missions which are to involve the active participation of provincial stakeholders; and (iii) a systematic examination by the Ministry of Finance of withdrawal applications before their transmission to IFAD for payment.

24. The extent of the follow-up on the 212 recommendations included in the 2018 PRISMA is presented in table 3 below.

Table 3  
**Implementation status of evaluation recommendations by evaluation type**

<i>Level</i>	<i>Full follow-up</i>	<i>Not applicable</i>	<i>Ongoing</i>	<i>Pending</i>	<i>Total number</i>	<i>Percentage (%)</i>
CLE	9	-	5	-	<b>14</b>	<b>7</b>
CSPE	56	-	43	14	<b>113</b>	<b>53</b>
ESR	13	3	7	-	<b>23</b>	<b>11</b>
IE	7	-	0	-	<b>7</b>	<b>3</b>
PPE	16	-	27	12	<b>55</b>	<b>26</b>
<b>Total (number)</b>	<b>101</b>	<b>3</b>	<b>82</b>	<b>26</b>	<b>212</b>	<b>100</b>
<b>Total (%)</b>	<b>48</b>	<b>1</b>	<b>39</b>	<b>12</b>	<b>100</b>	

25. In addition to the follow-up on each recommendation detailed in volume II of the PRISMA, selected examples of recommendations that are being followed up at the country/project level are provided below.
26. Recommendations fully followed up. For Nigeria and Ethiopia, COSOPs were finalized between 2016 and 2017 following the CSPE, and the recommendations of the CSPE have therefore been fully incorporated into the new COSOPs. For example, the CSPE in Ethiopia recommended that the country programme focus on fewer thematic areas. As a result, the new COSOP presented to the Board in December 2016 includes only two strategic objectives. Also in line with the recommendations, the new COSOP for Nigeria has defined clear criteria for the selection of states to be included in future projects. At the project level, the IE of the Sofala Bank Artisanal Fisheries Project in Mozambique was concluded in 2016, whereas the project had been completed in 2010. The recommendations made in the evaluation have already been fully embedded into the ongoing and new country portfolios.
27. Ongoing recommendations. These include actions currently under implementation in which follow-up in the direction of the recommendations has been initiated. Management takes note of the recommendations made by IOE in a number of CSPEs, including those for the Democratic Republic of the Congo, the Gambia and India, to improve performance and focus on non-lending activities. Management believes that the Operational Excellence for Results (OpEx) reforms – in particular IFAD's organizational decentralization - are likely to positively impact performance in non-lending activities (e.g. country-level policy engagement) and address the concerns raised by IOE.
28. With regard to specific recommendations at the project level, Management is ensuring that actions are being taken in connection with the ongoing portfolio in the country, where applicable. For example, the PPE of the West Noubaria Rural Development Project in Egypt recommends that an environmental assessment of the impact of the water supply should be undertaken for the ongoing Sustainable Agriculture Investments and Livelihoods Project. Discussions with a view to doing so have been initiated with the Government and other partners, including the African Development Bank, and studies are being commissioned.
29. Historical follow-up. For the three CSPEs in Bangladesh, Brazil and Turkey that have been included for historical follow-up from last year, all of the 12 outstanding recommendations have been fully followed up. These include recommendations

from the Bangladesh and Brazil CSPEs on the posting of country programme managers (CPMs) to those countries.

30. Recommendations that are not applicable. Three of the recommendations have been made to IOE and are therefore not applicable to Management. All of them are from ESRs: one from the ESR on country-level policy dialogue, one from the ESR on gender equality and one from the ESR on scaling up. They are all related to evaluation approaches and methodology and therefore have been categorized at the policy level.
31. Follow-up on recommendations from the 2017 ARRI and IOE comments on the 2017 RIDE. Last year the ARRI addressed five overall recommendations to Management, which, once disaggregated, actually came to a total of 10 recommendations. Of those recommendations, five have been fully implemented, four are ongoing and one was not agreed to in the Management response.
32. A comprehensive account of the follow-up to the specific recommendations and learning theme from the 2017 ARRI and IOE comments on the 2017 RIDE may be found in annex V.

### III. Internalizing learning

#### A. Areas of focus: addressing recurring recommendations through actions initiated for IFAD11 and beyond

33. In previous editions of the PRISMA, recommendations had been classified into broad thematic blocks.<sup>15</sup> For the 2018 PRISMA, recommendations have been classified based on the IFAD11 business model pillars. The emerging themes identified in the 2018 PRISMA reaffirm Management's own analysis of the areas requiring targeted attention at the corporate level. Management's efforts to address these issues are reflected in the 14 commitments (and the corresponding 50 monitorable actions) made by Management to IFAD Member States in the context of IFAD11.<sup>16</sup>
34. A detailed list of themes presented in terms of the new classification can be found in annex II and a summary is provided in table 4:

Table 4  
**Evaluation recommendations classified according to IFAD11 priorities**

<i>IFAD11 priorities</i>	<i>Recommendations</i>	<i>Percentage (%)</i>
1. Resource mobilization (private sector)	5	2
2. Resource allocation (targeting)	23	11
3. Resource utilization (gender, youth, climate, non-lending, decentralization, implementation support)	120	57
4. Transforming resources into development results (results management, ICT, capacity-building)	29	14
Technical areas (markets, value chains, sustainability, scaling up, rural finance, infrastructure)	35	17
<b>Total</b>	<b>212</b>	<b>100</b>

35. Almost 60 per cent of the recurrent recommendations fall under the IFAD11 business model pillar on resource utilization. Coincidentally, Management is pleased to note that 50 per cent of the 50 monitorable actions also fall into the resource utilization category. This is a further indication of the fact that the actions that Management has committed to take are addressing the key issues in the portfolio as identified by IOE. This includes commitments related to front-loading

<sup>15</sup> A classification of recommendations in terms of last year's broad thematic blocks can be found in annex II, table 2.

<sup>16</sup> See GC 41/L.3/Rev.1.

decentralization, mainstreaming key cross-cutting themes, strengthening non-lending activities, making operations more agile and flexible, and introducing diversified products that are tailored to specific country contexts.

36. A synthesis of recurrent recommendations from the various evaluation products that are included in this year's PRISMA and Management's follow-up on them is presented below.
  1. Resource mobilization: assembling development finance to maximize impact
37. Recommendation: Leverage the private sector for greater investments in agriculture. This recommendation appeared not only in the various evaluations included in this year's PRISMA but also in the CLE of IFAD's financial architecture. Management is updating its strategy for engagement with the private sector and foundations, which includes the development of the ABC Fund to encourage more private sector and commercial banks and microfinance institutions to become involved in smallholder agriculture (monitorable action 6).
  2. Resource allocation: focusing on the poorest people and the poorest countries
38. Recommendation: In country strategies, carefully reflect IFAD's niche and comparative advantage. Management is developing a transition framework to provide a holistic package of support to each country that is suited to the differentiated context of the country and IFAD's comparative advantage (monitorable action 8). Under the umbrella of the transition framework, Management is also revising its COSOP guidelines to ensure that COSOPs become long-term transition strategies and clearly elaborate IFAD's value proposition in each country.
39. Recommendation: Within project areas, differentiated approaches and tailored targeting strategies should be used. Management has committed to increasing its focus on the poorest and most vulnerable people within each country (commitment 2.2). In this context, the operational guidelines on targeting will be revised in 2019 to ensure that appropriately differentiated approaches for the target groups are included in IFAD's investments (monitorable action 9). Country teams are also being provided with capacity-building assistance, toolkits and webinars to help them develop better targeting strategies at the project level. An ICT for development strategy is also being readied, which will explore the systematized use of the geographical information system for targeting (monitorable action 40). In addition, Management will incorporate the lessons from the 2018 ARRI learning theme on targeting into the reviews of the targeting guidelines that are now under way.
40. Recommendation: Avoid overly ambitious and complex designs that are not aligned with the context. In the context of IFAD's niche experience of working in the remotest and most vulnerable areas, teams need to be wary about designing overly ambitious or complex projects. At the corporate level, under IFAD11 (commitment 3.2), Management is striving towards having fewer and larger projects that set targets for the reduction of start-up and implementation delays. As part of the OpEx reform, a more streamlined design process is being developed by categorizing projects on the basis of various criteria, one of which is complexity. Based on this categorization scheme, different steps will be introduced into the design process, more careful assessments will be undertaken and greater consideration will be given to the context in each case.
  3. Resource utilization: doing development differently
41. Recommendation: There is a need to be more proactive at the design stage in relation to the mainstreaming themes, particularly climate change adaptation and natural resource management. As part of the IFAD11 commitments (commitment

3.3), Management has pledged to further strengthen the mainstreaming of the four cross-cutting themes, not only to improve project design but also to bring about a transformational change in terms of project impact. In this context, separate commitments have been made to operationalize and strengthen the nutrition action plan and the gender action plan, to develop a strategy for youth mainstreaming and to develop a climate change strategy and action plan. There is also a commitment to develop a framework for mainstreaming these themes while also devoting attention to horizontal integration and interlinkages. These activities are planned for 2018 so that they can be embedded in the new IFAD11 portfolio. In addition, the 2018 RIDE has an "in focus" chapter on climate change and on how climate financing is helping to address some of the recurrent challenges that have arisen in respect of the portfolio.

42. Recommendation: Increase proximity to borrowing countries to facilitate greater knowledge exchanges, policy engagement and partnership-building. In addition to the recommendations made in the CLE on IFAD's decentralization experience, a number of recommendations from the CSPEs and PPEs point to the need for an increased country presence in order, in particular, to improve performance in non-lending activities. Under the OpEx reform umbrella, IFAD has embarked on the implementation of an ambitious decentralization model that will allow it to respond to the CLE recommendation by setting up and strengthening subregional hubs (monitorable action 12). In fact, IFAD's strategic decentralization effort goes beyond the recommendations set out in the CLE with the outposting of all operational and most technical staff. Furthermore, a number of country evaluations, including those prepared on Bangladesh and Brazil, recommended the outposting of a CPM, and this has now been done as part of the decentralization exercise. The terms of reference for the country directors and CPMs have also been revised in order to include a strong non-lending element. Furthermore, in line with recurrent recommendations made by IOE and as part of IFAD's results pillars, a distinct institutional output group has been put in place to allocate and monitor resource utilization for policy engagement activities financed from the administrative budget. These actions, when taken together, are expected to improve IFAD's performance in non-lending activities and address the recurrent recommendations made in this regard.

4. Transforming resources into development results: embracing a culture of results and innovation

43. Recommendation: Weak monitoring and evaluation (M&E) systems cause problems in measuring, achieving and reporting on the results of IFAD's investments. At the project level, closer attention is being devoted to strengthening M&E systems and capacities. In addition to allocating budgets at the design stage for M&E, IFAD is providing M&E capacity-building support to project staff through its flagship training and certification Programme in Rural M&E (PRiME) (monitorable action 37). To date, 44 project staff from 36 countries have completed the first course offering of PRiME. At the corporate level, the Operational Results Management System (ORMS) has come on stream and is being used by country teams to track progress against logical framework targets. In addition, the new core indicators that have replaced the Results and Impact Measurement System indicators have also been retrofitted in all project logframes and are being systematically tracked with the ORMS (monitorable action 38).
44. Recommendation: Improve institutional and project management unit capacity to avoid start-up delays, slow disbursements and fiduciary risks. While being cognizant of capacity constraints in borrowing countries, Management is adopting a proactive approach by offering a limited number of interlinked solutions. A faster project start-up facility is being set up so that project/programme management units can be operationalized prior to start-up as a means of heightening implementation readiness (monitorable action 34). Projects will also receive more

regular and ongoing implementation support under the new decentralization model, which calls for the outposting of financial management staff. The creation of new procurement positions in each regional division is expected to assist in improving disbursement performance and averting procurement-related risks. Action in this connection is further elaborated upon in annex V in response to the follow-up on the recommendation made in the 2017 ARRI.

#### Technical areas

45. Recommendation: Due attention needs to be paid to developing sustainable value chain interventions while giving sufficient consideration to market linkages. Evaluations from all regions have identified limitations in the value chains approach. The ESR on smallholder access to markets also points to the need to improve the design of value-chain-related projects in order to make them more sustainable while taking changing market dynamics into consideration. The newly established Production, Markets and Institutions Division (PMI) is actively involved in the design of value chain projects. A toolkit for the sustainable inclusion of smallholders in agriculture value chains has been issued by PMI to assist teams at the design stage. Management is looking forward to engaging with IOE on the ongoing CLE of IFAD's engagement in pro-poor value chain development, which is expected to help to further strengthen IFAD's approach in this area.
46. Recommendation: There is a need to empower communities and provide the right capacity-building support to ensure sustainability of benefits beyond the life of the project. As is noted in the ARRI and the RIDE, sustainability is an area in which IFAD projects continue to face performance challenges. In the various PPEs included in the PRISMA, recommendations have been made to improve the design of exit strategies and provide capacity support. Management is committed to systematically incorporating exit strategies at the project design stage. Sustainability is also linked to the need to strengthen performance in partnership-building and scaling up, both of which are areas that Management is focusing on going forward.

## IV. Conclusions

47. As mentioned earlier, Management has initiated a series of reforms that include the OpEx reform agenda, the strengthened business model of IFAD11, IFAD11's commitments and the Development Effectiveness Framework (DEF). More specifically, under the umbrella of the DEF, Management is committed to promoting a stronger evaluation culture and mainstreaming that culture throughout the organization, and to enhancing the results' focus of self-evaluation through a series of mutually reinforcing initiatives. Management believes that these interlinked initiatives will improve IFAD's overall effectiveness and efficiency and thus lead to better performance and development results.
48. First, as is done by Management, IOE could use the PRISMA to inform its annual work programme. The PRISMA identifies recurring themes and issues that could be addressed by more in-depth thematic evaluations (i.e. ESRs or CLEs) by IOE, which could assist Management in deriving greater benefit from lessons learned so that it can further improve its performance in the future.
49. Second, while Management greatly values the efforts made by IOE in conducting a wide range of evaluations, it would like to draw attention to the fact that the portfolio being covered in the project-level evaluations included in the 2018 PRISMA comprises operations that were designed, on average, more than 12 years ago and that there is, on average, a three-year lag between project closing and the completion of the evaluation.<sup>17</sup> Particularly at the project level, this means that the recommendations may not still be fully relevant when the time comes for their

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<sup>17</sup> Based on the entry into force and closing dates of the eight PPEs and the one IE included in the 2018 PRISMA. See annex III, table A.



implementation due to the evolving nature of country portfolios. Nonetheless, Management makes an effort to cross-fertilize other portfolios with the lessons learned from such evaluations where relevant.

50. Third, Management is pleased to note that the recurrent recommendations made in recent evaluations are fully aligned with the direction of ongoing reforms. This is a further indication of the increasing robustness of the self-evaluation system in recent years, which has effectively identified issues requiring Management's attention and triggered internal reforms as part of the IFAD11 commitments, the DEF and the OpEx initiative.
51. Lastly, with a view to facilitating the implementation of recommendations and maintaining a high level of transparency, accountability and objectivity in the follow-up of Management actions, Management looks forward to the ongoing peer review of the evaluation function. This will be an opportune moment not only to benchmark the evaluation work with other international financial institutions and multilateral development banks, but also to initiate improvements in the evaluation function in order to enhance the utility, applicability and uptake of independent evaluation recommendations.

# Comments by the Independent Office of Evaluation of IFAD on the 2018 PRISMA

## I. General observations

1. In accordance with the IFAD Evaluation Policy,<sup>18</sup> the Independent Office of Evaluation of IFAD (IOE) is to provide 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. As in previous years, IOE welcomes the PRISMA as an important instrument within IFAD's evaluation architecture to promote accountability and organizational learning.
2. The 2018 PRISMA reports in a clear and concise manner on the implementation status of the recommendations contained in 24 independent evaluations jointly selected by Management and IOE, of which three were covered by previous editions of the PRISMA and 21 were new evaluations finalized in 2016 and 2017. It also includes Management's responses to recommendations from last year's Annual Report on Results and Impact of IFAD Operations (ARRI) and IOE's comments on the Report on IFAD's Development Effectiveness (RIDE).
3. The PRISMA shows continued satisfactory follow-up on independent evaluation recommendations. Section III on "Internalizing learning", under the heading "Areas of focus", provides a useful summary of how Management intends to deal with persistent issues in key strategic and technical areas frequently brought up by evaluations during the Eleventh Replenishment of IFAD's Resources (IFAD11) period and beyond.
4. As recommended last year by IOE, this year's PRISMA also reports on the implementation status of recommendations made to government authorities. This is an opportunity for Management to showcase its efforts to promote the implementation of evaluation recommendations addressed to governments by engaging with national authorities during the formulation of new country strategic opportunities programmes and projects, and through project supervision.

## II. Specific comments

5. Evaluations included in the PRISMA. This year's PRISMA covered 24 evaluations undertaken in the last two years with recommendations agreed prior to 30 June 2017. These included: one corporate-level evaluation; 10 country programme evaluations, of which three were covered by previous editions of the PRISMA (historical follow-up); eight project performance evaluations; one impact evaluation; and four evaluation synthesis reports. The evaluations covered by the PRISMA were agreed upon by IOE and Management.
6. Evaluation coverage and classification of recommendations. The PRISMA provides a detailed quantitative analysis of the different types of evaluations and recommendations reported upon, classified according to criteria such as: type of evaluation; regional distribution; level assigned for follow-up; and nature of recommendation. In future editions of the PRISMA, this section, if deemed useful, could be used for deeper analysis and for drawing specific conclusions.
7. Implementation status: extent of follow-up. IOE welcomes Management's efforts to report separately on each recommendation and subrecommendation, which adds clarity to the follow-up actions. The PRISMA reported that follow-up is complete for 48 per cent of recommendations and subrecommendations, and 39 per cent are ongoing. Since 2013, there has been a downward trend in the

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<sup>18</sup> See paragraphs 11 and 31(i) of the revised IFAD Evaluation Policy (EC 2011/66/W.P.8).

percentage of recommendations with full follow-up due to an increase in ongoing recommendations; this trend appears to have stabilized since 2016. Ongoing follow-up indicates that efforts have been initiated to respond to the recommendation, but more time is required for full implementation. This is usually a result of the longer-term nature of country programming and organizational change processes initiated by Management.

8. Quality of follow-up reporting. As in previous years, Management's reporting on follow-up of evaluation recommendations was specific, clear and comprehensive. Concrete examples were often provided on where and how recommendations have been implemented; this added credibility to the reported follow-up actions. Cases where reporting was too vague or did not fully address the recommendation decreased compared to last year's PRISMA, but a few cases remained.
9. For example, the Philippines country strategy and programme evaluation (CSPE) recommended enhancing diagnostic analysis of the potential target group and targeting by better identifying potential beneficiaries and how to reach them. The response to the recommendation focused on targeting geographical areas where poverty levels are high without indicating whether a differentiated approach to reaching different target groups in those areas would be used. This response cannot be considered a full follow-up to the recommendation.
10. In several instances, the Nigeria CSPE recommendations were only vaguely addressed. The exact wording of recommendations matters, but in this case it was not taken into full consideration. For instance, the CSPE recommended developing culturally appropriate gender strategies; however, the response only mentioned gender mainstreaming. Regarding the key recommendation – transforming state-level engagement – the responses did not allow an assessment of whether – and how – IFAD's engagement with states would fundamentally change.
11. Historical follow-up. IOE welcomes Management's frankness in reporting that follow-up on several recommendations has been partial<sup>19</sup> or is still ongoing or pending. IOE also appreciates Management's continued efforts to pursue the implementation of outstanding recommendations from evaluations covered by previous PRISMAs. Indeed, some recommendations may require more than one year to implement and it is important to ensure that long-term efforts to follow up on these recommendations are monitored and recognized in the PRISMA.
12. Recommendations from the 2017 ARRI and IOE comments on the 2017 RIDE. Follow-up by Management on the 2017 ARRI recommendations was satisfactory overall. The ARRI contained five recommendations, which Management disaggregated into ten recommendations. According to the PRISMA, five of those recommendations were fully implemented, four are ongoing and one was not agreed upon<sup>20</sup> in the Management response. However, one recommendation marked as fully followed up was in fact only partially followed up. While the ARRI recommended that IFAD set "satisfactory or better" targets for IFAD11, thresholds for targets remain at the level of "moderately satisfactory and above". IOE is also satisfied with Management's responses to IOE's comments on the 2017 RIDE.

<sup>19</sup> This was the case for the recommendation from the Brazil country programme evaluation to outpost the country programme manager (CPM) and assign a professional-level staff member at headquarters on a part-time basis to follow up on daily operational matters. As a partial response, the CPM's presence in Brazil was enhanced by frequent field missions. In the 2018 PRISMA, Management reported that an IFAD office has been established in Brazil and the selection of a Brazil-based CPM has been completed.

<sup>20</sup> The ARRI recommended, depending on the country context and in collaboration with partners, that IFAD support the establishment of permanent project management units responsible for all externally funded interventions in a specific sector or subsector. Management disagreed with this recommendation, interpreting it as a proposal by IOE to create parallel project implementation units outside government structures. As pointed out by Management, this would go against the principles and processes for achieving the objectives of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. IOE agrees with Management that strengthened and consistent project management units within government structures would be beneficial in supporting programme delivery while promoting countries' long-term development.

13. Conclusions of the PRISMA. As in previous years, the PRISMA highlighted the large number of subactions for Management follow-up. Management underlined the need to rationalize recommendations in order to ensure that they are matched by adequate human and financial capacity. First, the number of recommendations per evaluation has decreased over the last five years from an average of 5.8 for 2012 and 2013 to an average of 4.3 for 2017 and 2018. Second, subrecommendations are identified by IOE for each recommendation in an effort to be more specific regarding the actions required to implement the recommendation. Third, the majority of recommendations are targeted to a limited audience such as an IFAD country team or a specific unit within IFAD. As a result, follow-up to the recommendations contained in the PRISMA is spread across the entire organization. For each evaluation, IOE only presents the most important recommendations – often in consultation with the implementing units – to ensure that recommendations are feasible and realistic. The strong follow-up on IOE recommendations is evidence that they do not exceed IFAD’s absorptive capacity.
14. Management has highlighted that there is an average lag of three years between project closure and the completion of project evaluations. IOE suggests that it would be more useful in the future to monitor the time lag between the availability of project completion reports and completion of the respective project evaluations. A project completion report is a prerequisite for IOE’s planning of a project evaluation in the following year’s workplan; these evaluations are often made available to IOE well after project closure.

## Evaluation recommendations by theme mapped to IFAD11 commitments (2018 PRISMA)

Table A

<i>IFAD11 commitments</i>	<i>Theme</i>	<i>Number</i>	<i>Total</i>	<i>Percentage (%)</i>
1. Resource mobilization	Private sector	5	5	2
2. Resource allocation	Targeting	23	23	11
3. Resource utilization	Gender	15		
	Youth	1		
	Beneficiaries	3		
	Natural resource management	15		
	Project management and administration	10		
	Partnerships	11		
	Policy engagement	9		
	Knowledge management	6		
	South-South and Triangular Cooperation	2		
	Non-lending activities	7		
	Fragility and conflict	6		
	Project design and formulation	8		
	Country strategic opportunities programme (COSOP)	7		
	Supervision	4		
	Decentralization	16	120	57
4. Transforming resources into development results	Information and communications technologies	3		
	Results measurement, monitoring and evaluation	19		
	Training and capacity-building	7	29	14
Technical areas	Markets and value chains	8		
	Rural finance	4		
	Infrastructure	3		
	Sustainability	7		
	Innovation	1		
	Grants	2		
	Replication and scaling up	6		
	Governance	1		
	Human resources	3	35	17
<b>Total</b>			<b>212</b>	<b>100</b>

Table B

### Evaluation recommendations classified by broad thematic blocks used in previous editions

<i>Thematic area</i>	<i>Total</i>	<i>Percentage (%)</i>
Targeting and gender	42	20
Technical areas (natural resource management, private sector, etc.)	38	18
Project management (M&E, etc.)	36	17
Non-lending activities (partnerships, policy engagement, knowledge management)	35	17
Cross-cutting (grants, efficiency, sustainability, COSOPs, etc.)	42	20
Corporate (information and communications technologies, human resources)	19	9
<b>Total</b>	<b>212</b>	<b>100</b>

## List of project-level evaluations by date of entry into force, closing date and evaluation date

Table A

<i>Name of project</i>	<i>Country</i>	<i>Entry into force</i>	<i>Closing date</i>	<i>Evaluation date</i>
Rural Microenterprise Promotion Programme	Philippines	31-Oct-06	12-May-15	Oct-16
Agricultural Rehabilitation Programme in Orientale Province	Democratic Republic of the Congo	14-Nov-07	30-Apr-14	Dec-16
National Agricultural Technology and Training Programme: Technical Assistance Fund	Nicaragua	20-Jun-01	31-Dec-13	Mar-17
West Noubaria Rural Development Project	Egypt	09-Apr-03	31-Dec-14	Mar-17
Rural Livelihoods Support Programme	Malawi	30-Aug-04	31-Mar-14	Mar-17
Post-Tsunami Agricultural and Fisheries Rehabilitation Programme	Maldives	21-Apr-06	31-Dec-13	Apr-17
Post-Tsunami Coastal Rehabilitation and Resource Management Programme	Sri Lanka	18-Sept-08	31-Mar-14	Jun-17
National Rural Development Programme – Phase I: Western Region	Guatemala	20-Oct-06	30-Jun-13	Jun-17
Sofala Bank Artisanal Fisheries Project	Mozambique	02-Sep-02	30-Sep-11	Dec-16
		25-May-04	06-Feb-14	Feb-17

## Long-term follow-up trends

**Table A**  
**Implementation status of recommendations by level (PRISMA reports - 2006-2018)**

<i>Level</i>	<i>Full follow-up</i>	<i>Not applicable</i>	<i>Not agreed</i>	<i>Not yet due</i>	<i>Ongoing</i>	<i>Partial</i>	<i>Pending</i>	<i>Total (number)</i>	<i>Total (%)</i>
Country	836	25	2	69	193	32	31	<b>1188</b>	<b>51</b>
Government	77	4	-	27	23	7	22	<b>160</b>	<b>7</b>
IFAD	255	14	9	1	164	13	6	<b>462</b>	<b>20</b>
Project	326	22	-	66	31	21	4	<b>470</b>	<b>20</b>
Region	27	6	-	3	8	-	1	<b>45</b>	<b>2</b>
<b>Total (number)</b>	<b>1521</b>	<b>71</b>	<b>11</b>	<b>166</b>	<b>419</b>	<b>73</b>	<b>64</b>	<b>2325</b>	<b>100</b>
<b>Total (%)</b>	<b>65</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>18</b>	<b>3</b>	<b>3</b>	<b>100</b>	

**Table B**  
**Implementation by regional division (PRISMA reports - 2006-2018)**

<i>Regional division</i>	<i>Full follow-up</i>	<i>Not applicable</i>	<i>Not agreed</i>	<i>Not yet due</i>	<i>Ongoing</i>	<i>Partial</i>	<i>Pending</i>	<i>Total (number)</i>	<i>Total (%)</i>
APR	381	23	-	37	82	18	15	<b>556</b>	<b>24</b>
ESA	287	9	-	13	48	8	4	<b>369</b>	<b>16</b>
LAC	228	6	-	47	76	14	4	<b>375</b>	<b>16</b>
NEN	185	8	1	10	22	9	6	<b>241</b>	<b>10</b>
WCA	232	16	2	58	53	12	32	<b>405</b>	<b>17</b>
<b>Total (number)</b>	<b>1313</b>	<b>62</b>	<b>3</b>	<b>165</b>	<b>281</b>	<b>61</b>	<b>61</b>	<b>1946</b>	<b>84</b>
<b>Total (%)</b>	<b>56</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>12</b>	<b>3</b>	<b>3</b>	<b>84</b>	

Note: The number of recommendations by level does not match the number by region because evaluations addressed to the corporate level are not included in the regional classification.

## Follow-up to recommendations from the 2017 ARRI and IOE comments on the 2017 RIDE

### Follow-up on the 2017 ARRI learning theme

1. This section provides an overview of some of the follow-up actions taken with regard to the learning theme of the 2017 Annual Report on Results and Impact of IFAD Operations (ARRI) on financial management and fiduciary responsibilities in IFAD-funded operations.
2. As part of IFAD's decentralization effort, financial management staff will be deployed to a subregional hub in every region. Closer proximity to borrowing countries will allow them to provide consistent and more timely supervision and implementation support and engage more fully in policy dialogues. The capacity of the limited financial management staffing table has been further strengthened through the exclusive use of accredited financial management consultants, who are now hired directly by the Financial Management Services Division (FMD) to undertake missions and provide project support with due consideration for the economy and efficiency. The use of country financial management systems is continuously emphasized during project design and implementation, and is recorded on the financial management dashboard.
3. The FMD has also initiated and played an active role in launching a series of new systems to further improve the quality of project financial management. The IFAD client portal is being rolled out on an ongoing basis in order to enable an increasing number of borrowers to submit electronic withdrawal applications and access real-time financial information. In addition, the Operational Results Management System (ORMS) has been linked up to the main financial management systems, such as the dashboard and the Audit Report Tracking System, to support systematic tracking of financial management performance throughout a project's lifetime in order to facilitate follow-up on supervision recommendations and to point out any pressing issues related to financial management. Furthermore, a new tracking system, in the form of a key performance indicators report, is currently under development with a view to ensuring that, for all projects: (i) the financial management risk rating is updated regularly; (ii) a financial management mission is conducted at least once a year; (iii) ineligible expenditures and pending obligations are followed up on in a timely manner; and (iv) the audit review is completed and publicly disclosed within agreed deadlines. Finally, the financial management e-learning course has now been successfully translated into seven languages (Arabic, Chinese, English, French, Portuguese, Russian and Spanish) in order to further increase outreach to IFAD Member States.
4. IFAD is also rolling out the No Objection Tracking System (NOTUS) to ensure more timely and transparent tracking of no-objections. This will be further facilitated by the provision of greater procurement support to the regional divisions by the staff who will fill the newly created regional procurement positions. Further ongoing efforts to assist with procurement at the project level are described under recommendation 5 below.

### ARRI 2017 recommendations

1. Ensure that consolidation of IFAD9 achievements does not result in stagnation in IFAD10 and beyond
  - (a) Adopt a more holistic approach between the country strategic opportunities programme (COSOP) and project pipeline, and reduce the gap between project design and implementation through a more decentralized IFAD. Management has fast-tracked a number of reform initiatives to ensure that IFAD is well-equipped to achieve better results for the Eleventh Replenishment of IFAD's Resources (IFAD11) and beyond. Under the Operational Excellence for Results (OpEx) initiative, with the front-loading of decentralization, all



operational staff are expected to be outposted in 2018, which is fully aligned with the recommendation of the ARRI. Management is also revising the COSOP procedures under the umbrella of the transition framework to ensure that a more holistic package of support is provided to countries. In order to reduce the gap between project design and implementation, the Faster Implementation for Project Start-up Facility has been developed and will be presented to the Executive Board at the September 2018 session. This system is expected to address the concern of long delays in project start-up, particularly in the more vulnerable countries. Action fully followed up.

- (b) Set satisfactory or better targets for IFAD11. Management has set ambitious targets for IFAD11 in the recently approved Results Management Framework. While thresholds for targets remain at “moderately satisfactory or better” (in line with the practices of other international financial institutions [IFIs] and multilateral development banks [MDBs]), a disaggregated analysis for “satisfactory or better” was presented in the 2017 edition of the Report on IFAD’s Development Effectiveness (RIDE). Action fully followed up.
2. Adopt transformative approaches that address the root causes of gender inequality and discrimination if IFAD is to contribute substantially to meeting the SDG goal of “leaving no one behind”
- (a) Address longer-term changes in cultural practices and in laws and policies through IFAD interventions. Projects require specific theories of change as well as better monitoring throughout the project cycle. This edition of the President’s Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) also includes follow-up on the evaluation synthesis report on gender equality. Management has elaborated comprehensive follow-up measures with a view towards the specific actions detailed in this recommendation in volume II of the PRISMA. More specifically, the newly created Environment, Climate, Gender and Social Inclusion Division (ECG) has begun developing a framework for implementing transformational approaches for IFAD’s four mainstreaming themes, including gender, with particular attention being devoted to horizontal integration and interlinkages. Additionally, as part of the IFAD11 commitments, the benchmark for transformative gender projects was increased to 25 per cent. Theories of change are being developed on a more systematic basis in the design of new projects. Management has also started revising its operational guidelines on targeting and social inclusion. This will provide an opportunity to improve the effectiveness of IFAD’s targeting strategies and transformative gender approaches.

IFAD is currently also developing a gender action plan to address key priorities in supporting gender equality and women’s empowerment up to the end of 2021. In particular, the action plan will focus on operationalizing the action areas covered by IFAD’s 2012 Policy on Gender Equality and Women’s Empowerment. The action plan will address three key issues: (i) the bold and transformative steps needed to achieve the goals of the 2030 Agenda for Sustainable Development; (ii) IFAD’s enhanced business model (decentralization, integration of key cross-cutting themes, culture of results and innovation); and (iii) relevant commitments related to gender equality and women’s empowerment as contained in the final IFAD11 consultation report. Supporting the integration of a gender dimension into the theories of change embedded in IFAD projects and ensuring that the right indicators are monitored are important features of this plan. Action ongoing.

3. Systematize the three non-lending activities – knowledge management, partnership and policy engagement – to unlock their potential to scale up country programme results
  - (a) Objectives for non-lending activities should be formulated selectively with linkages between resources and activities in country programmes and related processes. In line with IFAD11 commitment 3.4 to strengthen synergies between lending and non-lending engagement, Management is currently revising the COSOP procedures, as mentioned above. The revised procedures focus specifically on embedding non-lending activities into country programmes. Indicators of performance in non-lending activities have been included in the ORMS supervision module and will be reflected in other processes. Furthermore, as part of the decentralization process, job descriptions for country programme staff have been revised to include non-lending activities as an important aspect of IFAD's engagement. As mentioned earlier, as part of IFAD's results pillars, a special institutional output group has been put in place to allocate and monitor resource utilization for policy engagement activities financed from the administrative budget. Furthermore, under the OpEx reforms, three specific South-South and Triangular Cooperation and knowledge hubs have also been established in Brazil, China and Ethiopia to further promote non-lending activities within and across the various regions. Action fully followed up.
  - (b) Technical and advisory support must be provided to country teams by relevant divisions, including from outside of the Programme Management Department (PMD). In the new decentralized structure, in addition to PMD operational teams, technical experts from FMD, ECG and the Production, Markets and Institutions Division have also been decentralized. The presence of these staff members in the subregional hubs will enable them to facilitate knowledge-sharing. Closer proximity of technical staff to the borrowing countries will also facilitate policy engagement. Action fully followed up.
4. Improve data granularity for selected strategic criteria in order to better monitor performance and enhance operational approaches
  - (a) Collect more tailored evidence to demonstrate achievements in the area of climate change. IFAD acknowledges that stronger emphasis needs to be placed on environmental issues and that greater complementarity should be sought with mitigation activities (alternative energy sources, carbon sequestration). These aspects will be the focus of IFAD11. A new environmental and climate strategy and action plan will be adopted by the end of 2018 that will ensure that environmental sustainability activities and climate adaptation and mitigation activities are aligned with all current international commitments.

In terms of improved data quality, the new core indicators include climate indicators that measure variables which are being tracked for the first time by ORMS. In addition, in order to collect more evidence on the benefits and challenges of the climate mainstreaming effort, specific impact assessments are being conducted that take into consideration geo-spatial information supported by the second phase of the Adaptation for Smallholder Agriculture Programme.

At present, Management is working with the Organisation for Economic Co-operation and Development and MDBs to adapt the Rio markers methodology and MDB climate finance tracking system for use with all IFAD investments in order to accurately measure the size of climate-related investments and monitor compliance with the environmental commitments of IFAD Member States. Action ongoing.

- (b) Include metrics of food security in the formulation of country strategies and project design and in their monitoring. An increase in agricultural productivity and incomes does not always translate into greater food security or, even more importantly, nutrition security. As there can be no nutrition security without food security, the growing focus on nutrition responds to this recommendation and takes it even further.

Country strategies and project monitoring and evaluation (M&E) and impact assessment plans should include details on the methods and tools to be used to assess their performance in terms of food security and nutrition.

To track improvements in food security, the IFAD11 Results Management Framework uses the Food Insecurity Experience Scale (FIES). The nutrition impact indicators at the project level provided for by the Results and Impact Management System – output level: the number of persons provided with support to improve their nutrition; outcome level: (number) percentage of women reporting improved quality of their diets (Minimum Dietary Diversity for Women [MDDW]) – are used to track project nutrition outcomes. The MDDW is a proxy that takes into account the particular nutritional vulnerability of women as an indicator of the nutritional status of other household members.

Progress in nutrition is now systematically tracked during implementation, thanks to the incorporation of a nutrition rating in the corporate guidance for the supervision of nutrition-sensitive projects and for midterm reviews for all projects, irrespective of their nutrition sensitivity.

The integration of a focus on nutrition and the incorporation of nutrition indicators such as the MDDW are supported by an improvement in data granularity and the disaggregation of the data by sex and age. This makes it possible to monitor project performance in terms of the most vulnerable household members. Action ongoing.

5. Extend greater differentiation in financial management and fiduciary requirements with regard to procurement, while supporting long-term national capacity improvement
- (a) Provide enhanced support on procurement based on risk assessments and strengthen capacity of IFAD country offices and subregional hubs. IFAD's institutional architecture for oversight of project procurement has been strengthened in 2018 through the creation of five new senior procurement officer positions. Each PMD regional division now has one senior procurement officer, and a lead procurement adviser will be hired later in the year in the Operational Policy and Results Division. The adviser will have oversight responsibility for the regional senior procurement officers and will provide strategic direction and advance relevant reforms. In the context of IFAD's decentralization initiative, procurement oversight functions have been incorporated into the new generic job descriptions for country operations analysts (i.e. national staff based in IFAD country offices) in order to strengthen the capacity of IFAD country offices and subregional hubs. Guidelines for procurement reviews have been expanded to ensure closer attention to and mitigation of procurement risks during project implementation. The new NOTUS system for managing IFAD no objections for project procurement processes is being launched in 2018 and will significantly mitigate risks (e.g. data loss) deriving from the use of different and often manual methods of document naming, versioning, submission and archiving, as well as streamlining the no objection process. A new procurement oversight training programme

that is tailored to operational staff needs will be developed in 2018 as an integral part of the course offerings of the Operations Academy. This training programme will be run on a continuing basis and will include an emphasis on the ex ante assessment of procurement risks. A project procurement consultant assessment programme is also being put in place that is expected to be launched in 2018. This programme will ensure that procurement consultants hired by IFAD consistently meet qualifications and experience requirements and are able to provide quality service to IFAD and its projects. Options for improving the ex ante assessment of procurement risks will be reviewed following a stocktaking of IFAD experiences and lessons and IFI best practices in this area, which is to be undertaken in the second half of 2018. Action fully followed up.

- (b) Strengthen financial management and procurement capacities of implementing agencies, possibly through IFAD grant support. The initiatives discussed above will enable IFAD to provide enhanced country-level capacity-building support. Furthermore, a training programme along the lines of the Programme in Rural M&E will be explored later in 2018. Action ongoing.

IOE's comments on the 2017 RIDE

5. Overall, comments by the Independent Office of Evaluation of IFAD (IOE) on last year's RIDE were specific to the results and sections presented in the 2017 report. Management would like to highlight the fact that the RIDE is meant to provide a holistic and corporate analysis of IFAD's results and performance. While it does provide an overview of the drivers of performance at the corporate level, due to word limit constraints it does not go into a detailed analysis of regional portfolios or country specificities.

Below are Management's responses to IOE's comments on the 2017 RIDE that remain relevant for the 2018 edition:

- (a) Methodology. This year's RIDE will include an explanation of the methodology used for the new analysis presented in the report (e.g. rating disconnect) in line with IOE's comment on the 2017 RIDE.
- (b) Overview of the portfolio. In the 2018 RIDE, an overview will be provided to give the reader background information and an overall picture of the current portfolio of IFAD's investments.
- (c) Disaggregating performance indicators by fragile situations. A comparison between the differences in performance of countries with fragile situations and the overall portfolio will be provided in the 2018 report. A more extensive analysis of the regional contributions to overall performance will also be provided.
- (d) Cofinancing. In the context of the IFAD11 commitments and the transition framework, Management has undertaken an in-depth analysis of cofinancing in order to provide inputs for a cofinancing strategy and action plan that is currently under development. To the extent that it is relevant, the RIDE will include a deeper analysis of cofinancing. However, it should be noted that the RIDE is not intended to be used as a vehicle for a comprehensive analysis of these specific topics.
- (e) Climate change. For the 2018 RIDE, a specific "in focus" chapter on climate change has been included. This chapter will address the comments of IOE on the climate change analysis provided in the 2017 report. The annexes on the Adaptation for Smallholders Agriculture Programme are a regular part of the RIDE and will also be included in this year's edition.
- (f) Way forward section. A section will be included in the RIDE that highlights specific actions being undertaken at the corporate level to address recurrent

drivers of weaker performance. Additionally, the PRISMA covers specific follow-up actions being undertaken by Management to address recommendations made by IOE on recurrent themes, such as mainstreaming, targeting, M&E, project design, etc.