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IFAD Management Response to the Evaluation Synthesis Report on Infrastructure at IFAD (2001–2019)

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Evaluation Committee — 112th Session
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For: Review

IFAD Management Response to the Evaluation Synthesis Report on Infrastructure at IFAD (2001–2019)

1. Management welcomes the evaluation synthesis report (ESR) prepared by the Independent Office of Evaluation of IFAD (IOE) on the Fund's support to infrastructure. Management finds the report has covered the key challenges, and is relatively balanced. Management recognizes that the ESR presents relevant and useful findings for IFAD to better understand how to improve the effectiveness of its current and future infrastructure investments.
2. Management appreciates IOE's efforts to capture lessons on infrastructure and believes they are relevant to promoting IFAD's support on rural infrastructure and enhancing development impact. The evaluation synthesis covers a broad range of infrastructure themes and intervention types (new or rehabilitation of social, productive and market access). As a result, there are inherent challenges in the report in drawing conclusions and comparisons across the range of project types, strategic approach, performance and impacts, as well as governance and institutional arrangements.¹
3. Management would also like to recognize the collaborative and participatory process that characterized the preparation of this ESR, including in-house consultations, focus group discussions and e-surveys.

Recommendations

4. Management takes note of the three recommendations put forward in the ESR and is generally in full or partial agreement with most of them. Management's detailed response to each recommendation is given below.
5. **Recommendation 1. Prepare a corporate strategy to clarify IFAD's approach to scaling up pro-poor infrastructure, including partnerships and systems for tracking the effectiveness and impact of these investments.**
 - **Partially agreed.** Management agrees with the need to enhance IFAD's corporate-level guidance on rural infrastructure development and will explore the best way to address this issue. Management has committed to strengthening the rural infrastructure dimensions of existing corporate and operational strategies and policies, including the updated Social, Environmental and Climate Assessment Procedures and the integrated project risk matrix, among others.

In this context, Management believes that developing operational guidelines to provide approaches for IFAD's targeting and prioritization in rural infrastructure interventions would best suit IFAD's operations. Operational guidelines could articulate the conditions for impactful financing and support the designing of a theory of change that would promote better monitoring and evaluation. Management notes that the ESR used the term sustainability and alluded to its different dimensions at various points without necessarily distinguishing between sustainability of impact, of operations and of financial aspects. These would be parsed for nuance when Management develops guidelines on rural infrastructure.

Management has already started, and will continue to enhance, monitoring and evaluation tools and capacities to better track performance and the results of rural infrastructure investments. Management will continue to improve the design of heavy rural infrastructure projects and provide closer

¹ The ESR could be clearer on whether the performance rating/impacts presented are based on attribution or contribution, as this has implications for how lessons learned are interpreted and used to improve future operations. Systematic reviews of lessons on how rural infrastructure investments should be delivered and implemented could have benchmarked IFAD's performance better. Another related attribute of the synthesis is that the sample collected is not random, and the extent to which it is representative of the overall population of projects is unclear.

technical implementation support to achieve high-quality outputs and outcomes.

6. **Recommendation 2. Adopt a comprehensive approach to strengthening know-how and capacities for infrastructure support, to cope with the increasing demand for rural infrastructure investments.**

- **Agreed.** Management agrees with the need to strengthen internal know-how and capacities for rural infrastructure support. Management continues to evaluate the need for technical resources and has recently added a renewable energy and green infrastructure expert, to be deployed to the field, to existing in-house technical resources. Management would like to highlight, in agreement with the ESR's observation, that this issue is being given increasing attention in the organization.

At the same time, considering the limited reach of IFAD's technical resources, Management is enhancing collaboration with other United Nations technical agencies and development partners, including international financial institutions, on the promotion of communities of practice to provide technical support for rural infrastructure initiatives.

Management will focus on ensuring that such collaboration has greater impact at field level so that technical expertise, knowledge and other resources can feed directly into project design, implementation support and supervision.

7. **Recommendation 3. Strengthen attention to pro-poor infrastructure governance during design and implementation; establish synergies with complementary investments, reforms and policy initiatives for enhanced sustainability and impact.**

- **Partially agreed.** Management concurs with IOE on the positive aspect of this recommendation, which seeks to improve the impact of interventions on rural infrastructure. However, Management may not approach this objective through the articulation of reforms and policy initiatives and would like to underscore the importance of undertaking scenario analyses examining the (necessary) trade-offs between all these objectives. Management notes that IFAD's rural infrastructure investments, by targeting the "last mile", are subject to placement bias that makes it difficult to achieve both sustainability and impact. This is especially true in the case of IFAD, whose beneficiaries are predominantly small-scale rural producers who are less integrated with markets and value chains, and whose production is both subsistence- and market-oriented.

Management will ensure that project implementation reviews are better designed to help teams enhance the sustainability and safeguards of rural infrastructure projects from the start. For instance, the current practice of not expecting supervision missions to report on exit strategies until after the midterm review may need to be reassessed. To be encouraged is the good practice of including quality assurance during implementation at project level for infrastructure, as recommended in the how-to-do note on irrigation. Management will also consider these issues in light of the broader sustainability action plan, due to be delivered as a commitment for the Twelfth Replenishment of IFAD's Resources by end-2021.