

Document:	EC 2021/114/W.P.5
Agenda:	6
Date:	4 August 2021
Distribution:	Public
Original:	English

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2021 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

Volume I: Main Report

Note to Evaluation Committee members

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Evaluation Committee – 114th Session
Rome, 1 September 2021

For: Review

Document: EB 2021/133/R.18
Agenda: 12(a)
Date: 4 August 2021
Distribution: Public
Original: English

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Executive Board — 133rd Session
Rome, 13-16 September 2021

For: Review

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Abbreviations and acronyms

ALM	asset and liability management
APR	Asia and the Pacific Division
ARRI	Annual Report on Results and Impact of IFAD Operations
BRAM	Borrowed Resource Access Mechanism
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CSPE	country strategy and programme evaluation
DEF	Development Effectiveness Framework
ESA	East and Southern Africa Division
ESR	evaluation synthesis report
ICO	IFAD Country Office
IE	impact evaluation
IFAD11	Eleventh Replenishment of IFAD's Resources
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean Division
ORMS	Operational Results Management System
PBAS	performance-based allocation system
PPE	project performance evaluation
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
RTA	reimbursable technical assistance
TRADE	Transforming Agriculture through Diversification and Entrepreneurship Programme
VITA	Value Chains for Inclusive Transformation of Agriculture Programme
WCA	West and Central Africa Division

Executive summary

1. The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) tracks Management's follow-up on recommendations made by the Independent Office of Evaluation of IFAD (IOE). The 2021 PRISMA covers a total of 12 evaluations (containing 48 recommendations), nine of which are new evaluations (containing 42 recommendations), and three of which are for historical follow-up (containing six recommendations). These evaluations have been jointly identified by IOE and Management for this report.

2. The key messages from the 2021 PRISMA are as follows:

- (a) **Management agrees with all of the IOE recommendations considered in this edition of the PRISMA, all of which are on track. Examining the full cohort of recommendations (portfolio and corporate), follow-up action is complete for 65 per cent of them, while it is partial or ongoing for the remaining 35 per cent.**

Specifically:

- (i) **Progress is on track for portfolio-level evaluations, including country strategy and programme evaluations (CSPEs), impact evaluations (IEs) and project performance evaluations (PPEs).** 62 per cent of recommendations have been fully implemented; and progress is on track for the remaining 38 per cent, with action on the recommendations already initiated but not yet completed. Ongoing actions mainly relate to recommendations stemming from portfolio-level evaluations (CSPEs, IEs and PPEs) that require the adaption of activities financed through existing projects. In other cases, such as in Sierra Leone and Mexico, recommendations referred to partnership and policy engagement, which are ongoing by nature.
- (ii) **For corporate-level evaluations (CLEs), progress on five out of six recommendations is complete, and the sixth is ongoing.** The ongoing recommendation called for the use of hedging instruments to manage foreign exchange risk. Management has taken up this recommendation and presented the Asset and Liability Management (ALM) Framework to the Executive Board. The ALM Framework aims to guide IFAD's approach to the use of hedging instruments to manage such risk. Since action on this recommendation is ongoing, Management has presented regular updates to the Executive Board on ALM-related activities.
- (b) **IFAD has learned significant lessons from CLEs.** Following the 2018 evaluation of IFAD's financial architecture, the Fund made substantial reforms to its financial policies in order to access market borrowing, which allowed IFAD to obtain AA+ ratings from Fitch and Standard & Poor's in 2020. In 2021, IFAD approved the Borrowed Resource Access Mechanism, a new, risk-based mechanism for allocating borrowed resources to beneficiary countries on ordinary lending terms, thus expanding IFAD's ability to meet the financial needs of beneficiary countries. Allocations under IFAD's traditional performance-based allocation system (PBAS) were also improved during the Eleventh Replenishment of IFAD's Resources (IFAD11) as a result of the 2016 CLE on the PBAS. The current reallocation mechanism ensures forward planning and coverage of unexpected pipeline fallouts. Finally, the 2014 CLE on replenishments was the catalyst for several important reforms. As a result, IFAD has successfully identified additional borrowing tools to mobilize untied resources in order to finance activities within its strategic framework, such as concessional partner loans.

- (c) **Findings from independent portfolio-level evaluations mirror those stemming from the self-evaluation** and collated into documents such as the Report on IFAD's Development Effectiveness and corporate and regional portfolio stocktaking reports. Key areas for improvement include policy engagement, knowledge management and learning. The revised Development Effectiveness Framework along with a series of dedicated action plans aligned with IFAD12 commitments will address these issues and provide concrete tools for country teams to improve performance.
- (d) **While maintaining autonomy and the separation of functions, independent evaluations and self-evaluations are mutually reinforcing and complementary tools.** IFAD's approach to development effectiveness is shifting away from monitoring and evaluation (M&E) to monitoring *for* evaluation – with continuous feedback between self-evaluations and independent evaluations. IFAD's M&E system will ultimately become a more comprehensive model focused on monitoring, evaluation, adaptation and learning. In light of this evolution in evaluation functions, there is scope to revise the structure of the PRISMA to better serve its two main objectives of accountability and learning. In agreement with IOE, and as previously discussed with Evaluation Committee members in 2020, **Management will transform volume II of the PRISMA into an online tracking tool starting in 2022 – the first year of IFAD12.** Adopting an online solution will increase the visibility of IOE recommendations and allow for real-time follow-up. Through continuous upgrades and integration with other IFAD systems, the online tool will also promote the use of evidence for follow-up, facilitate continuous feedback and mutual strengthening of independent evaluations and self-evaluations, and enhance learning from these evaluations.

2021 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

Introduction

1. This is the eighteenth edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) – the second during the Eleventh Replenishment of IFAD's Resources (IFAD11). In the PRISMA, Management reports on follow-up to recommendations from selected evaluations conducted by the Independent Office of Evaluation of IFAD (IOE).
2. The PRISMA is divided into two volumes. Volume I provides an overview of the status of follow-up actions and a synthesis of emerging findings and recurrent themes drawn from the evaluations included in the report. Volume II provides the full list of individual recommendations and specific follow-up actions taken in response to each recommendation.
3. Section I of this report provides an overview of the objectives and methodology while section II focuses on accountability, outlining the coverage of evaluations included in this edition of the report and their implementation status. Section III focuses on the learning dimension of the PRISMA, highlighting thematic trends emerging from portfolio-level evaluations and providing an overview of Management actions in these areas. Section IV presents the report's conclusions.

I. Objectives, structure and methodology

A. Objectives

4. The PRISMA was conceived to:
 - (i) **Promote accountability** through rigorous follow-up with the relevant teams and consolidated reporting to the Evaluation Committee and Executive Board on Management actions in response to independent evaluation recommendations; and
 - (ii) **Internalize learning** by identifying recurrent issues at the portfolio and corporate levels that require targeted attention from Management in order to enhance development effectiveness.

B. Methodology

5. The 2021 PRISMA follows the same format as in previous years and analyses the nature, level, regional distribution and extent of follow-up on the recommendations stemming from independent evaluations. Annex I of the report details the methodology applied in the analysis of data. In line with past practice, the 2021 PRISMA reports on the follow-up to the recommendations as a whole, as presented by IOE. The report also presents a disaggregated thematic analysis at the portfolio level.¹

II. Promoting accountability

A. Evaluation coverage and classification of recommendations

6. The 2021 PRISMA covers 12 evaluations (with a total of 48 recommendations), jointly selected by Management and IOE, of which nine are new evaluations finalized in 2019 and 2020, and three are for historical follow-up.
7. New evaluations include country strategy and programme evaluations (CSPEs), project performance evaluations (PPEs) and impact evaluations (IEs). This year's edition also follows up on outstanding recommendations from three historical

¹ The portfolio level includes country programmes and project evaluations.

corporate-level evaluations (CLEs) on IFAD's performance-based allocation system (PBAS) (one recommendation), financial architecture (three recommendations) and replenishments (two recommendations).

Table 1
2021 PRISMA: First-round and historical follow-up*

<i>New evaluations 2021</i>		<i>Evaluation recommendation actions</i>					
Evaluation level	Evaluation type	CLE	CSPE	ESR	IE	PPE	Total
Portfolio							
Asia and the Pacific	1 CSPE	-	7	-	-	-	7
East and Southern Africa	2 PPE	-	-	-	-	8	8
Latin America and the Caribbean	1 CSPE + 1 PPE	-	6	-	-	4	10
Near East, North Africa and Europe		-	-	-	-	-	-
West and Central Africa	1 CSPE + 2 PPE + 1 IE	-	7	-	3	7	17
Subtotal	9	-	20	-	3	19	42
Corporate							
CLE on PBAS (April 2016)	1 CLE	1	-	-	-	-	1
CLE on replenishments	1 CLE	2	-	-	-	-	2
CLE on IFAD's financial architecture	1 CLE	3	-	-	-	-	3
Subtotal	3	-	-	-	-	-	6
Total	12	-	-	-	-	-	48

* For a detailed breakdown, see table 1 of annex III.

Note: ESR = evaluation synthesis report.

8. For this edition of the PRISMA, Management and IOE agreed not to include an update on the 10 outstanding recommendations from five historical CSPEs in Burkina Faso, Georgia, Kenya, Sri Lanka and Tunisia, for which a first round of follow-up was included in the 2020 PRISMA. These recommendations have either: (i) been addressed in the design of new operations or ongoing projects; or (ii) are ongoing by nature, on topics such as knowledge management, policy dialogue and partnership. Performance on the areas highlighted in these recommendations has improved, as shown by supervision ratings. Based on these considerations, follow-up is not required.
9. **Recommendations from new evaluations.** As shown in table 2, two thirds of the 42 new recommendations included in this edition (totalling 28 recommendations) are of an operational nature, stemming from portfolio-level evaluations (CSPEs, IEs and PPEs). One third (14 recommendations) are of a strategic nature, mainly resulting from CSPEs.
10. The majority of new recommendations (76 per cent or 32 recommendations) are assigned to the **country level** for follow-up. As noted in previous editions of the PRISMA, IFAD and governments follow up on all recommendations at the portfolio level, regardless of the specific entity they are assigned to. This is achieved jointly through the formulation of new country strategic opportunities programmes (COSOPs) and projects, and through supervision and implementation support.
11. Only 14 per cent (totalling six recommendations) are assigned to the **project level** for follow-up. They all stem from the PPE for Malawi, which included specific suggestions for the design of the new Transforming Agriculture through Diversification and Entrepreneurship (TRADE) Programme.
12. One recommendation was assigned for follow-up at the **government level**, stemming from a PPE in Mexico. It called for the more active engagement of public agencies in project design and implementation.

13. Finally, three recommendations from CSPEs (in Mexico, Nepal and Sierra Leone) were assigned for follow-up at **corporate level** since they all deal with decentralization.

Table 2

2021 PRISMA: Number of recommendations, by level assigned and nature of recommendation (first-round follow-up)

Level	Nature of recommendations		Total	%
	Operational	Strategic		
Corporate		3	3	7%
CSPE		3	3	7%
Portfolio	28	11	39	93%
Country	21	11	32	76%
CSPE	8	8		
PPE	11	2		
IE	2	1		
Government	1	-	1	2%
PPE	1	-	1	
Project	6	-	6	14%
PPE	6	-	6	
Total	28	14	42	100%
%	67%	33%	100%	

B. Implementation status

14. Management agrees with all recommendations included in this edition of the PRISMA. All of these recommendations are on track, with follow-up on 65 per cent of the recommendations completed and 33 per cent on track (status "ongoing"). Ongoing status implies that actions have been initiated to bring practices in line with the recommendation, but that these actions are not yet complete. Finally, there was one recommendation with partial follow-up: it relates to strengthening IFAD's country presence in Mexico and is therefore linked to the corporate-level decentralization plan.
15. At the corporate level, follow-up on historical recommendations is almost complete, with all recommendations except one fully addressed. The one ongoing recommendation relates to foreign exchange risk management, which is an ongoing issue that needs to be continually managed and mitigated. At the portfolio level, follow-up on 62 per cent of recommendations has been completed. For the remaining 38 per cent, follow-up is ongoing or partially complete. Ongoing actions mainly relate to recommendations stemming from portfolio-level evaluations (CSPEs, IEs and PPEs) that require adapting activities financed under existing projects. In other cases, such as in Mexico or Sierra Leone, the recommendations pertained to partnership and policy engagement, which require ongoing action over the long term.

Table 3

2021 PRISMA: Implementation status of evaluation recommendations, by evaluation type (first-round and historical follow-up)*

	Full follow-up	Ongoing	Partial	Total
Corporate**	5	1	-	6
CLE on replenishments	2	-	-	2
CLE on PBAS	1	-	-	1
CLE on IFAD's financial architecture	2	1	-	3
Portfolio	26	15	1	42
CSPE	11	8	1	20
IE	-	3	-	3
PPE	15	4	-	19
Total	31	16	1	48
	65%	33%	2%	100%

* For a detailed breakdown, see volume II.

** Historical follow-up.

B.1 Follow-up on portfolio evaluations

16. In addition to the detailed follow-up on each recommendation listed in volume II of the PRISMA, this section of the report provides an overview of follow-up actions taken by Management, with special attention to technical themes that include the majority of recommendations.²

B.1.1 Countries with full follow-up on recommendations

17. **Nepal.** The 2021 COSOP for Nepal has fully followed up on the seven recommendations included in the CSPE. This evaluation's technical recommendations called for: (i) better inclusion of poor and very poor small-scale producers in the value chain approach; (ii) re-introducing support to community development, basic infrastructure and services; and (iii) integrating natural resource management and climate change adaptation into project design. The country team has indicated that very poor small-scale producers such as *Dalits*,³ indigenous peoples and women are being targeted for assistance in two of the three ongoing projects in the country, and inclusive targeting criteria are being included in the design of the recently approved the Value Chains for Inclusive Transformation of Agriculture Programme (VITA). This programme also features a US\$27 million component focused on last-mile infrastructure, while the ongoing Agriculture Sector Development Programme supports community and public infrastructure. In addition, the VITA has been designed to mainstream climate-resilience building and environmental conservation. It will improve farmers' understanding of climate risks, increase access to climate-resilient technologies and finance climate adaptation investments.
18. In **Liberia**, the country team has completed follow-up on all three recommendations stemming from the PPE. Technical recommendations suggested that future IFAD cocoa value chain development projects should: focus on addressing constraints upstream; pay increased attention to the downstream value chain; and enhance support to women's entrepreneurship. Two ongoing projects have mobilized communities with high concentrations of cocoa farmers to address critical constraints along the value chain. These projects are benefiting cocoa farmers through a wide array of initiatives, ranging from the provision of production inputs to training in management, organizational and negotiation skills. The projects are also building the institutional capacity of farmer cooperatives. The projects' gender and social inclusion unit conducted training workshops aimed at empowering beneficiaries to develop and implement business plans. The unit also conducted community dialogues to raise awareness among local authorities, women and youth along agricultural value chains.
19. In **Haiti**, IFAD has fully followed up on all four recommendations in the PPE. One technical recommendation highlighted the importance of the irrigation component and called for an integrated water resource management approach. A second technical recommendation suggested adopting a combined approach of value chain development and natural resource protection. The design of the recently approved Emergency Project for Strengthening the Resilience of Small Farmers to the Consequences of the COVID-19 Pandemic incorporates these approaches. Therefore, the two recommendations are considered to be fully implemented. This project will support the reactivation of agricultural production by: improving access to water (through rehabilitation and more efficient management of irrigated systems); improving yields through the provision of inputs (high-quality seeds, fertilizers, phytosanitary protection); and providing training and technical assistance. The third technical recommendation relates to strengthening the capacity of irrigation group members, which will be critical to the implementation of the newly approved project. The fourth recommendation relates to strengthening the capacity of the Ministry of Agriculture for financial management, procurement

² Details of these recommendations by type (technical, cross-cutting, etc.) are presented in section III of this report.

³ Members of the lowest caste.

and monitoring and evaluation (M&E). Both the Small Irrigation and Market Access Development Project in the Nippes and Goavienne Region and the Agricultural and Agroforestry Technological Innovation Programme address this issue.

20. In **Botswana**, the country team followed up fully on both recommendations arising from the PPE. Recommendations called for a sharper identification of IFAD's strategic role in the country. In the absence of a PBAS allocation, IFAD should leverage grants or reimbursable technical assistance (RTA) to pilot interventions that can have multiplier effects, or those that have potential to be scaled up by the Government. These recommendations fed into the discussions around the country strategy to plan IFAD's re-engagement in the country. IFAD is working with the Government on RTA for goat and sheep cluster development, which has the potential to develop into a larger RTA or co-investment operation.
21. In **Malawi**, all six recommendations from the PPE are fully implemented. A portion of the technical recommendation focused on enhancing farmer empowerment through capacity-building, access to finance, access to information and institutional linkages. The newly approved TRADE Programme will support community-based clubs, associations and cooperatives to improve services to their members. Examples include: bulk buying of inputs; product bulking for joint marketing; partnership with private companies; linkages to large commodity traders; and increasing capital and joint investments. The programme will also enhance beneficiaries' access to information and trade-related legal services. Other technical recommendations call for the careful identification of infrastructure that is needed by beneficiaries and aligned with farmer groups' capacities. TRADE will employ a community participatory approach to identify infrastructure requirements. The PPE also included a recommendation on monitoring, calling for a robust and learning-oriented M&E system. The new TRADE Programme will feature a management information system integrated with a geographic information system to support M&E functions, with beneficiaries providing direct feedback through a text-messaging platform.

B.1.2 Countries in which follow-up is partial or ongoing

22. In **Sierra Leone**, follow-up is ongoing for all four PPE recommendations, which focus on market access, youth and gender inclusion, sustainability in fragile contexts and adaptation to climate change. The country team is addressing these recommendations by adapting activities, training tools and the stakeholder engagement platform through the ongoing Agricultural Value Chain Development Project.
23. Follow-up is ongoing for four out of the seven recommendations of the Sierra Leone CSPE, and is complete for the remaining three. Ongoing actions include the development of a youth and gender strategy, improving tools to enable smallholder farmers' access to financial services, and sharpening the Agricultural Value Chain Development Project's focus on nutrition and climate change resilience. Completed follow-up actions include: the adaptation of the 2020 COSOP to focus on improving relationships among stakeholders (including buyers, sellers, service providers and regulatory institutions); the development of a knowledge management strategy and the provision of enhanced support by the IFAD Country Office (ICO) on knowledge management, M&E and gender mainstreaming.
24. **Niger**. Follow-up on the three recommendations arising from the Niger IE is also ongoing. The country team is adapting activities within the: Family Farming Development Programme in Maradi, Tahoua and Zinder Regions to address food security and nutrition; and the Project to Strengthen Resilience of Rural Communities to Food and Nutrition Insecurity to improve market infrastructure and build small-scale producers' capacity for production, post-harvest handling and marketing.

25. In **Mexico**, one recommendation from the CSPE has been fully followed up; four recommendations are ongoing; and one has been partially implemented. Completed actions include adaptation of the COSOP for Mexico to focus on the geographic areas with the most rural poverty and marginalization. Ongoing follow-up on technical themes involves deploying and scaling up innovative instruments to target women, youth and indigenous peoples under the new resilient Balsas basin project. In addition, one recommendation from the Mexico CSPE on leveraging IFAD's proximity for greater operational and strategic support to the country programme has been partially implemented. In the context of decentralization, IFAD is investigating the possibility of strengthening its country presence.

B2. Follow-up on historical CLEs

26. The following paragraphs describe the status of follow-up on CLE recommendations included in previous PRISMA reports.
27. **IFAD's financial architecture.** Two of the three outstanding recommendations on IFAD's financial architecture are fully implemented, and one is ongoing. With regard to the financial allocations system, in 2021 the Executive Board approved the creation of the Borrowed Resource Access Mechanism (BRAM), a risk-based system for governing access to borrowed resources through which countries can access ordinary lending during IFAD12. BRAM provides IFAD with better tools to ensure the prudent use of borrowed resources (for example, mitigating credit risk through the introduction of risk-based country limits). This recommendation can therefore be considered fully implemented. Regarding access to capital markets, IFAD has introduced several reforms to strengthen its financial architecture and ensure the optimal level of operational planning according to its financial capacity, as laid out in its financial policies.⁴ This transformation underpinned the success of the credit rating process that culminated in two AA+ ratings from Fitch and Standard & Poor's in 2020. The recommendation is therefore fully implemented. In terms of foreign exchange risk, the Asset and Liability Management (ALM) Framework presented to the Executive Board in 2019 guides IFAD's overall approach to the use of hedging instruments for risk management. Because of the ongoing nature of this risk, follow-up on this recommendation is ongoing; IFAD has presented regular updates to the Executive Board on ALM-related activities.
28. **PBAS (2016).** Implementation of follow-up actions on recommendations from this evaluation is complete. The final recommendation yet to be implemented relates to the spread of total annual commitments across the three years of any allocation cycle through better forward planning. In 2017, Management indicated that undertaking reallocations earlier in the cycle would facilitate the spread of commitments. During IFAD11, both proactive pipeline management and the control of reallocations have been strengthened, allowing IFAD's programme of loans and grants to be delivered in a smoother fashion, and minimizing the need for reallocations. As a result of more stringent selection criteria, the share of resources reallocated in IFAD11 is projected to be only 3 per cent of total resources – against a target of 10 per cent or less for IFAD11. This figure is also significantly lower than the 15 per cent of total resources reallocated in IFAD10.
29. **Replenishments.** The two outstanding recommendations arising from the CLE on replenishment are now fully followed up. The first was related to the participation and contribution of members from List C countries. IFAD's Governing Council has approved a revised composition of the consultation, strengthening the representation of List C members and increasing the obligation of List A and List B members to individually justify their participation. The second recommendation called for additional mobilization of non-earmarked resources to finance activities

⁴ These include the: Debt Sustainability Framework Reform; sustainable replenishment baseline; Asset and Liability Management (ALM) Framework; Capital Adequacy Policy; Liquidity Policy; Integrated Borrowing Framework; and resources available for commitment methodology.

squarely within IFAD’s Strategic Framework 2016-2025. Follow-up actions include the identification of additional borrowing tools such as concessional partner loans.

III. Internalizing learning

A. Action areas: identifying and addressing recurring themes

30. Management has classified the 42 new recommendations considered in this edition of the PRISMA according to their thematic focus areas, as illustrated in table 4. This ensures that IFAD makes the most of opportunities to learn from recurrent issues raised in evaluations. While section II.B reviewed the Fund’s follow-up on technical themes, this section highlights transversal themes (such as partnerships, policy engagement and knowledge management) emerging from recommendations, and the actions taken in response.

Table 4
2021 PRISMA: First-round follow-up on portfolio-level recommendations, by thematic area⁵

<i>Thematic area</i>	<i>Total</i>	<i>%</i>	<i>Ongoing</i>	<i>Follow-up complete</i>	<i>Partial follow-up</i>
Technical and mainstreaming themes (market and value chains, youth, gender, etc.)	20	47%	8	12	
COSOPs and non-lending activities (partnerships, grants, policy engagement, knowledge management)	13	31%	4	9	
Cross-cutting themes (sustainability, innovation, monitoring, etc.)	6	14%	3	3	
Corporate issues (e.g., decentralization)	3	7%		2	1
Total	42	100%	15	26	1

A1. Areas in which follow-up is complete or on track

31. **Grants.** Two recommendations – one from a PPE and one from a CSPE – relate to the integration of grants into country strategies and their main objective of identifying successful approaches that can be scaled up. The grant programme will continue to be instrumental to a more integrated country approach. In 2021, IFAD approved a revised grant policy, which will support the strengthening of in-country capacity for greater sustainability of benefits and foster a more conducive policy and investment environment for smallholder agriculture. The grant programme is expected to: facilitate stronger engagement at the country level and beyond, help to establish partnerships with potential for cofinancing; and improve the overall quality of IFAD’s policies and operations.
32. **Decentralization.** Recommendations from three CSPEs call for equipping ICOs with additional capacity and technical skills, and leveraging subregional offices for enhanced operational and strategic support. As noted in the 2021 Report on IFAD’s Development Effectiveness (RIDE), IFAD has performed very strongly on decentralization, having surpassed all three IFAD11 Results Management Framework (RMF) targets.⁶ Decentralization will continue to be at the heart of IFAD12, with the objective of 45 per cent of IFAD staff located in ICOs by 2024. Leveraging its proximity to projects will allow IFAD to enhance its partnerships and further influence country-level policymaking. Decentralization will also be critical to implementing the updated Development Effectiveness Framework (DEF), allowing for better stakeholder feedback and closing learning loops during implementation.

A2. Areas where follow-up is in progress

33. **COSOPs, partnership and policy engagement.** As highlighted in the review of progress under the DEF, IFAD needs to shift from a project-centred to a country-

⁵ Disaggregated data by thematic area are presented in annex III, tables 1 and 2.

⁶ According to 2020 data, 33 per cent of IFAD staff are located in ICOs or regional hubs, which now manage 100 per cent of IFAD’s investment projects. The budget assigned to supervision and implementation support is also entirely managed through ICOs or regional hubs.

centred approach. Recommendations on this issue were included in numerous CSPEs and PPEs – both related to strategic engagement, and partnership and policy engagement. COSOPs will be even more central in the IFAD12 business model, which focuses on transformative country programmes. The updated DEF will reinforce the ongoing shift from a project-centred results focus to country programme results. The aim is to strengthen the availability and quality of evidence feeding into COSOPs so they become the pivotal instruments in IFAD’s programme of work, integrating lending and non-lending activities to maximize impact in the country. COSOPs will also become the main instrument for policy engagement, which will be monitored in a more systematic fashion.

34. **Knowledge management.** Recommendations from two CSPEs indicate the need to improve the capitalization of lessons learned, including through the adoption of a country-level knowledge management strategy. As highlighted in the previous portfolio stocktaking exercises and the 2021 RIDE, despite the availability of evidence and knowledge products within the Fund, learning loops remain weak and IFAD needs to develop tools and incentives to close them. The updated DEF will build on actions already taken at the country and portfolio levels, making use of existing knowledge and lessons learned. Recognizing the need for accountability and continuous learning, the DEF will reinforce incentives, tools, mechanisms and approaches that prioritize learning and ensure it is valued by IFAD staff, government partners and beneficiaries.

IV. Conclusions

35. Management continues to focus on ensuring that IOE recommendations are agreed upon and fully implemented: 100 per cent of recommendations in this PRISMA were agreed upon, and 65 per cent were completed. The remaining 35 per cent are on track, with actions already initiated (but not yet completed) consistent with the key messages of the recommendation.
36. Recommendations made in CLEs – and the opportunities for learning from these evaluations – are especially relevant for IFAD. The three CLEs covered in the 2021 report paved the way for important reforms within the Fund. In particular, the policies and procedures put in place after the CLE on IFAD’s financial architecture were critical to access market borrowing and the AA+ credit ratings from Fitch and Standard & Poor’s. The CLE on the PBAS also stimulated improvements in the allocation system. Following the CLE on replenishments, IFAD successfully identified additional borrowing tools such as concessional partner loans.
37. In line with the findings from other reports such as the 2021 RIDE, this year’s edition of the PRISMA highlights IFAD’s positive performance on its grant programme and decentralization process. It also confirms that IFAD needs to employ additional tools and incentives to strengthen knowledge management, learning and policy engagement. The revised DEF and a series of thematic action plans related to IFAD12 commitments will address these issues and provide concrete tools for country teams to improve performance.
38. The 2021 PRISMA’s release falls at a pivotal moment in which the approaches of IOE and Management to evaluation are becoming increasingly aligned, culminating in the approval of the 2021 Evaluation Policy. IFAD’s approach to development effectiveness also is shifting from M&E to monitoring *for* evaluation – with continuous feedback between self-evaluation and independent evaluation. As a result, IFAD’s M&E system will become more comprehensive, focusing on monitoring, evaluation, adaptation and learning. In light of this transformation, there is scope to revise the structure of the PRISMA to ensure that it better serves its two main objectives of accountability and learning.

39. As agreed with IOE and Evaluation Committee members in 2020,⁷ Management will replace volume II of the PRISMA with an online tracking tool starting in 2022 – the first year of IFAD12. The tool will present IOE recommendations and allow for reporting on their implementation status along with Management actions to address them in real time. Management is also committed to continue improving the PRISMA following the initial release of the online tracking tool. Subsequent releases could integrate the online tool with other IFAD systems, making it a full-fledged online platform with links to other systems such as IFAD’s Operational Results Management System (ORMS) – including the future COSOP module within ORMS. The ultimate goal is to ensure that the PRISMA transitions from an annual stocktaking exercise to a dynamic tool utilized by IFAD and other organizations to provide evidence for improving the development effectiveness of their operations.

⁷ See the minutes of the 110th session of the Evaluation Committee, paragraph 19.

Methodology

A. Extraction of recommendations

1. The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) tracks Management's follow-up to recommendations made in the following independent evaluation products:
 - For corporate-level evaluations (CLEs), evaluation synthesis reports (ESRs), impact evaluations (IEs) and project performance evaluations (PPEs), commitments are made in IFAD Management's responses to those evaluation reports;
 - 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; and
 - The current PRISMA also follows up on IOE's comments on the Report on IFAD's Development Effectiveness (RIDE) for 2020.⁸

B. Classification of recommendations

2. 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:
3. **Evaluation level.** This refers to the entity which is targeted by the recommendation and is primarily responsible for implementation. The levels are:
 - **Corporate level;** and
 - **Country level** (including IFAD, government authorities and the project).
4. **Nature.** This categorizes the recommendation as per the revised IFAD Evaluation Policy:
 - **Operational,** if the recommendation proposes a specific action;
 - **Strategic,** if it suggests an approach or course of action; and
 - **Policy,** if it is related to the principles guiding IFAD.
5. **Theme.** Recommendations are categorized under broad thematic blocks comprising 32 sub-themes. The sub-themes are listed in annex III.

C. Process

6. 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 or policies yet to be designed and completed;
 - **Not applicable:** recommendations that have not been complied with because of changing circumstances in country development processes or IFAD corporate governance contexts, or for other reasons;

⁸ See EB 2020/130/R.10/Add.1

- **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.

Evaluation coverage of the 2021 PRISMA

Table 1
Evaluations for first-round follow-up included in the 2021 PRISMA

	CLE	CSPE	ESR	IE	PPE	Total
Portfolio	-	20	-	3	19	42
Asia and the Pacific	-	7	-	-	-	7
Federal Republic of Nepal	-	7	-	-	-	7
East and Southern Africa	-	-	-	-	8	8
Malawi - Rural Livelihoods and Economic Enhancement Programme	-	-	-	-	6	6
Botswana - Agricultural Services Support Project	-	-	-	-	2	2
Latin America and the Caribbean	-	6	-	-	4	10
Haiti - Small-scale Irrigation Development Project – Phase II	-	-	-	-	4	4
United Mexican States	-	6	-	-	-	6
West and Central Africa	-	7	-	3	7	17
Sierra Leone - Rehabilitation and Community-based Poverty Reduction Project	-	-	-	-	4	4
Liberia - Smallholder Tree Crop Revitalization Support Project	-	-	-	-	3	3
Niger - Food Security and Development Support Project in the Maradi Region	-	-	-	3	-	3
Sierra Leone	-	7	-	-	-	7
Total	-	20	-	3	19	42

Table 2
Evaluations for historical follow-up included in the 2021 PRISMA

	CLE	Total
Corporate		6
CLE on replenishments	2	2
CLE on the PBAS	1	1
CLE on IFAD's financial architecture	3	3
Total	6	6

Evaluation recommendations, by sub-theme

Table 1
Portfolio-level evaluation recommendations in the 2021 PRISMA, classified by sub-theme (first-round follow-up)

<i>Block</i>	<i>Sub-theme</i>	<i>CSPE</i>	<i>IE</i>	<i>PPE</i>	<i>Total</i>	<i>%</i>
Technical and mainstreaming themes	Markets and value chains	2	1	2	5	-
	Gender	-	-	1	1	-
	Youth	1	-	1	2	-
	Targeting	1	-	-	1	-
	Organizational development	-	-	1	1	-
	Natural resource management	1	-	1	2	-
	Rural finance	1	-	-	1	-
	Infrastructure	1	-	3	4	-
	Nutrition	1	1	-	2	-
	Climate change adaptation	-	-	1	1	-
Subtotal				20	47%	
COSOPs and non-lending activities	COSOPs	1	-	1	2	-
	Partnerships	2	-	2	4	-
	Beneficiaries and stakeholders' participation and consultation	1	-	1	2	-
	Knowledge management	2	-	-	2	-
	Non-lending activities	-	-	1	1	-
	Grants	1	-	1	2	-
Subtotal				13	31%	
Cross-cutting	Sustainability	-	-	1	1	-
	Innovation	1	-	-	1	-
	Strategy	1	-	-	1	-
	Training and capacity building	-	1	1	2	-
	Results measurement, monitoring and evaluation	-	-	1	1	-
Subtotal				6	14%	
Corporate	Decentralization	3	-	-	3	7%
Total		20	3	19	42	100%

Table 2
Portfolio-level evaluation recommendations in the 2021 PRISMA, classified by regional distribution (first-round follow-up)

<i>Block</i>	<i>Sub-theme</i>	<i>APR</i>	<i>LAC</i>	<i>ESA</i>	<i>WCA</i>	<i>Total</i>	<i>%</i>
Technical and mainstreaming themes	Markets and value chains	1	-	1	3	5	
	Gender	-	-	-	1	1	
	Youth	-	-	-	2	2	
	Targeting	-	1	-	-	1	
	Organizational development	-	-	-	1	1	
	Natural resource management	1	1	-	-	2	
	Rural finance	-	-	-	1	1	
	Infrastructure	1	2	1	-	4	
	Nutrition	-	-	-	2	2	
	Climate change adaptation	-	-	-	1	1	
Subtotal						20	47%
COSOPs and non-lending activities	COSOPs	1	-	1	-	2	
	Partnerships	1	-	1	2	4	
	Beneficiaries and stakeholders' participation and consultation	-	1	1	-	2	
	Knowledge management	-	1	-	1	2	
	Non-lending activities	-	1	-	-	1	
	Grants	-	1	1	-	2	
Subtotal						13	31%
Cross-cutting	Sustainability	-	-	-	1	1	
	Innovation	-	1	-	-	1	
	Strategy	1	-	-	-	1	
	Training and capacity building	-	-	1	1	2	
	Results measurement, monitoring and evaluation	-	-	1	-	1	
Subtotal						6	14%
Corporate	Decentralization	1	1	-	1	3	7%
Total		7	10	8	17	42	100%

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

<i>Name of project</i>	<i>Country</i>	<i>Date of effectiveness</i>	<i>Loan closure date</i>	<i>Project completion report date</i>	<i>Evaluation date</i>
Food Security and Development Support Project in the Maradi Region	Niger	Mar-12	Mar-18	Sep-18	Dec-19
Rehabilitation and Community-based Poverty Reduction Project	Sierra Leone	Mar-06	Mar-17	May-18	Mar-20
Smallholder Tree Crop Revitalization Support Project	Liberia	Jul-12	Sep-17	Nov-18	Mar-20
Rural Livelihoods and Economic Enhancement Programme	Malawi	Oct-09	Dec-17	Jun-18	May-20
Small-scale Irrigation Development Project – Phase II	Haiti	Nov-08	Jun-16	Mar-17	Jun-20
Agricultural Services Support Project	Botswana	Feb-12	Dec-17	Dec-18	Jun-20
		Apr-10	Jul-17	May-18	Mar-20

Follow-up to IOE comments on the 2020 RIDE

- IOE endorsed the overview of performance during the first year of IFAD11 as presented in the 2020 RIDE and appreciated the balance between its development and institutional aspects. IOE's comments relate to strengthening the role played by the RIDE in reporting the Fund's performance in order to guide its strategic and operational direction, and resource planning. The following paragraphs present Management's feedback on IOE's comments.
- Complementary roles and focus of the Annual Report on Results and Impact of IFAD Operations (ARRI) and RIDE.** Overall, Management agrees with the description of the roles of the ARRI and RIDE as presented in table 1 of the 2020 RIDE – Comments by the Independent Office of Evaluation.⁹ Management wishes to highlight that the RIDE is a more comprehensive report on operational and organizational development effectiveness than the ARRI, and captures performance improvements in the short run against IFAD11 commitments. In addition, the ARRI and RIDE overlap in their analysis of project performance at completion, which is undertaken according to two different methodologies. The 2021 RIDE briefly mentions the complementarity of the two reports in its introductory section, but does not provide a full comparison due to word limit constraints. Below is a slightly modified version of table 1 from that report, clarifying the distinct focus areas and purpose of the ARRI and RIDE.

Table 1
Comparison of the ARRI and RIDE

<i>Report</i>	<i>Focus</i>	<i>Purpose and value addition</i>	<i>Areas of overlap</i>
Report on IFAD's Development Effectiveness (RIDE)	RIDE is Management's report on IFAD's annual performance against its replenishment commitments, using indicators in the associated RMF as a benchmark. To this end, it reports annually on: (i) development impact, outcomes and outputs achieved by IFAD; (ii) the performance of IFAD operations; and (iii) organizational readiness to achieve its priorities. It also identifies areas that need strengthening. The RIDE draws its data and evidence from self-evaluations, monitoring data and surveys.	The RIDE is a comprehensive report on operational and organizational development effectiveness, capturing performance improvements in the short run to report against IFAD11 commitments. It provides the Executive Board and Management with annual information and analysis to guide IFAD's strategic and operational direction and resource planning.	Performance of projects at completion: - Projects closed in the three years prior to the report - Ratings from self-evaluations
Annual Report on Results and Impact (ARRI)	The ARRI is an independent evaluation of the performance of IFAD operations produced by IOE. It: (i) consolidates IOE evaluation findings to report on the development performance of IFAD operations; and (ii) analyses the evaluations to distil lessons on a specific theme in order to improve project design and implementation. The ARRI provides an analysis of trends in operational performance, drawing on the past 10 years of evaluations. In addition, it presents recent operational performance, drawing from project-level, corporate, country-level and thematic evaluations, and evaluation syntheses. The ARRI does not focus on overall organizational processes or progress in achieving the Fund's priorities.	The ARRI is a reporting requirement of the Executive Board. It provides an independent assessment of the performance of IFAD operations and an analysis of factors influencing this performance. It also extracts lessons on selected themes. Its aim is to strengthen project design and implementation, and improve IFAD's development effectiveness.	Recent performance of projects at completion: - Projects completed in the three years prior to the report (up to one year previous) - Ratings from independent evaluations

- Promoting synergies between the RIDE and ARRI.** Management welcomes IOE's proposal to strengthen and systemize collaboration on the two documents. This collaboration was evident during the early stages of preparing the 2020 RIDE when IOE and Management held a dialogue on possible ways to align reporting. As

⁹ EB 2020/130/R.10/Add.1.

a result of this exchange, Management has agreed to include in the 2021 RIDE an annex showing 10-year trends in the performance of completed projects, in line with the methodology adopted for the ARRI (details are provided in paragraph 6(b)).

4. Management also welcomes IOE's proposal for an early exchange of preliminary findings and priority areas. This merits further planning and coordination at the initial stage of preparing the two documents. Management wishes to highlight the importance of sharing the calendar of main milestones for the two documents in advance to improve coordination and alignment.
5. **Aligning and harmonizing the RIDE and ARRI.** According to IOE's comments, "Analysis shows that the project portfolio coverage of these reports is similar. In particular, data available to IOE indicates that all projects included in the 2020 ARRI and RIDE were completed by 2018 or before." Management would like to highlight that the RIDE uses a more recent portfolio to analyse the performance of closed operations. Table 2 below shows the distribution of the three-year cohort of projects considered in the 2020 RIDE by completion year, compared with the ARRI three-year cohort used for recent performance analysis. The RIDE considered 94 projects closed in 2017–2019 with completion ratings available while the ARRI considered projects completed in 2016–2018. The table shows how the ARRI considers a greater share of projects completed before 2017 while the RIDE considers a greater share of projects completed between 2017 and 2018. In addition, 9 per cent of the RIDE cohort (eight projects) was completed after 2018. The ARRI does not consider any project completed after 2018.

Table 2

Distribution of projects included in the 2020 RIDE and ARRI, by completion period

<i>Completion period</i>	<i>RIDE 2020</i>		<i>ARRI 2020</i>	
	<i># of projects</i>	<i>% of cohort</i>	<i># of projects</i>	<i>% of cohort</i>
Completion before 2017	34	37%	33	52%
Completion between 2017 and 2018	52	54%	30	48%
Completion after 2018	8	9%	0	0%
	94	100%	63	100%

6. Following up on IOE's recommendation to explore options for better alignment of reporting – and in the course of an open exchange with IOE – Management explored the three main issues highlighted by IOE.
 - (a) **Selecting the cohort of projects for the analysis.** The RIDE and ARRI have different methods of selecting the portfolio for analysis: the RIDE uses the year of project closure to select projects and the ARRI uses completion year. If the 2021 RIDE were to apply the completion year criterion as opposed to the closing-year criterion, the cohort of projects to be considered in the 2021 RIDE would consist of 62 completed projects with ratings available, instead of the 74 currently included. The cohort of projects would therefore shrink considerably, undermining the robustness of results.

Table 3

Cohort of projects for performance analysis at completion, according to different selection criteria

<i>Selection criteria</i>	<i>Number of projects with available ratings</i>
Projects closed in 2018–2020	74
Projects completed in 2018–2020 (aligned with the ARRI methodology)	62

The findings of Management's simulation are aligned with Management feedback on IOE's comments regarding the 2019 RIDE, as reported in annex

V of the 2020 PRISMA. In order to obtain a complete sample of projects that are due to report in any given year, the project closure date is more accurate and relevant. Management would also like to reiterate that, as indicated in annex V of the 2020 PRISMA, the ARRI and RIDE are not comparable due to the lag in evaluations: in their analyses of recent performance, the 2020 ARRI considers 2016–2018 whereas the 2020 RIDE considers 2017–2019.

- (b) **Need for analysis of long-term trends in performance.** The RIDE applies three-year moving averages to report on performance of projects at completion. This allows a comprehensive understanding of the level of achievement of RMF targets at the end of the three-year IFAD11 period. In addition, to facilitate comparability with IOE's analysis, the 2021 RIDE includes an annex in which 10-year trends in the performance of completed and closed projects are presented in line with the methodology applied in the ARRI.
- (c) **Source of project performance ratings.** IOE has highlighted that discrepancies (albeit increasingly narrow) between independent evaluation and self-evaluation ratings for completed projects may cause confusion. Management would like to stress that reporting on self-evaluation ratings for completed projects is a mandatory requirement of the IFAD11 and IFAD12 RMF, as negotiated with Member States. For the "overall project achievement" criterion, both the IFAD11 and IFAD12 RMF foresee reporting separately on ratings from independent evaluations as well.
7. **Delivery of the rapidly expanding climate-finance-supported operations.** IOE has suggested that the RIDE should present the measures taken to ensure timely, high-quality delivery of the rapidly expanding climate-finance-supported operations. Annex VI of the RIDE presents IFAD's main achievements against commitments and action plan key performance indicators related to the mainstreaming theme of environment and climate change. It also highlights lessons learned and the way forward towards IFAD12. Measures taken include: (i) capacity-building for IFAD staff on multilateral development bank methodologies for tracking climate finance, environment and climate change indicators, and IFAD's updated Social, Environmental and Climate Assessment Procedures; and (ii) the production of knowledge management products on issues related to environment and climate (including the Fund's first detailed analysis of climate finance flows to small-scale farmers). The third edition of the Climate Action Report is also being produced.
8. Under IFAD12, climate finance will represent 40 per cent of the Fund's programme of loans and grants. According to the Strategy and Action Plan on Environment and Climate Change, an extra US\$300 million in supplementary climate and environment finance from outside sources will be mobilized during IFAD12. Through the enhanced Adaptation for Smallholder Agriculture Programme, IFAD is committed to increasing the share of global climate financing for small-scale production to address the climate change-related drivers of food insecurity, and deliver environmental, social and economic benefits to increase beneficiaries' long-term resilience and emissions reduction.
9. **Value for money.** IOE has recommended that the logic and evidence base used to arrive at the value-for-money scorecard values be presented. In this regard, it is worth noting that the indicators and targets used in this scorecard are drawn from the IFAD11 RMF. For tier III indicators, target values were negotiated with Executive Board members based on IFAD11 priorities and baseline values. For tier II outreach indicators, target values are based on past trends using data from IFAD's Results and Impact Management System.
10. IOE also queried the baseline value for RMF tier II indicator 2.3.14 "Number of hectares of land brought under climate-resilient management". Management would

like to clarify that the baseline value for this indicator is 1.2 million hectares.¹⁰ The 2020 RIDE was issued concurrently with the Executive Board document presenting baselines for a selected group of RMF indicators (among them 2.3.14), and therefore presented a tentative baseline value. The 2021 RIDE shows the updated baseline value of 1.2 million hectares.

¹⁰ As indicated in EB 2020/130/R.12: Setting Targets for the IFAD11 Results Management Framework: Country Programme Performance and Project Results.