

Document: EC 2021/115/W.P.3/Add.1  
Agenda: 3  
Date: 1 October 2021  
Distribution: Public  
Original: English

**E**



## **IFAD Management Response to the Thematic Evaluation of IFAD's Support for Smallholder Farmers' Adaptation to Climate Change**

### **Note to Evaluation Committee members**

#### Focal points:

#### Technical questions:

**Jyotsna Puri**

Associate Vice-President  
Strategy and Knowledge Department  
Tel.: +39 06 5459 2109  
e-mail: j.puri@ifad.org

**Donal Brown**

Associate Vice-President  
Programme Management Department  
Tel.: +39 06 5459 2448  
e-mail: d.brown@ifad.org

#### Dispatch of documentation:

**Deirdre Mc Grenra**

Chief  
Institutional Governance and  
Member Relations  
Tel.: +39 06 5459 2374  
e-mail: gb@ifad.org

Evaluation Committee – 115<sup>th</sup> Session  
Rome, 19 October 2021

---

**For: Review**

Document: EB 2021/134/R.XX/Add.1  
Agenda: xx  
Date: xx  
Distribution: Public  
Original: English

**E**



## **IFAD Management Response to the Thematic Evaluation of IFAD's Support for Smallholder Farmers' Adaptation to Climate Change**

### **Note to Executive Board representatives**

#### Focal points:

#### Technical questions:

##### **Jyotsna Puri**

Associate Vice-President  
Strategy and Knowledge Department  
Tel.: +39 06 5459 2109  
e-mail: j.puri@ifad.org

##### **Donal Brown**

Associate Vice-President  
Programme Management Department  
Tel.: +39 06 5459 2448  
e-mail: d.brown@ifad.org

#### Dispatch of documentation:

##### **Deirdre Mc Grenra**

Chief  
Institutional Governance and  
Member Relations  
Tel.: +39 06 5459 2374  
e-mail: gb@ifad.org

Executive Board – 134<sup>th</sup> Session  
Rome, 14-16 December 2021

---

**For: Review**

## **IFAD Management Response to the Thematic Evaluation of IFAD's Support for Smallholder Farmers' Adaptation to Climate Change**

1. Management welcomes the thematic evaluation (TE) prepared by the Independent Office of Evaluation of IFAD (IOE) on IFAD's support for smallholder farmers' adaptation to climate change. Management appreciates the interaction with IOE during the evaluation process and the efforts made to augment the review through in-house consultations.
2. IFAD is widely recognized as an "early mover" on climate adaptation in the small-scale agriculture and rural sphere, notably through the Adaptation for Smallholder Agriculture Programme (ASAP) launched in 2012. Learning has always been a central tenet of IFAD's work in this area, drawing on the implementation of the ASAP1 portfolio alongside IFAD's broader portfolio in which climate adaptation has been increasingly mainstreamed. Significant lessons have also been drawn from ASAP2, a strategic programme enhancing IFAD's technical and innovation capacity on climate adaptation. The 2021 Annual Report on Results and Impact of IFAD Operations (ARRI) confirms the important returns this consistent focus on learning has yielded in its finding that: "*Only two criteria, ENRM [environment and natural resources management] and adaptation to climate change, show statistically significant improvements over the long term (for projects completed between 2007 and 2016)*". Furthermore, performance on climate change adaptation for projects completed in 2017–2019 was the best since 2007–2009, with 83 per cent of projects reporting moderately satisfactory or better ratings.
3. Management views IOE's TE of IFAD's support for smallholder farmers' adaptation to climate change as a useful learning product that offers relevant insights to support continued improvement of IFAD's performance on climate adaptation. Nevertheless, Management has some concerns regarding a number of the evaluation's conclusions and recommendations, as already highlighted in earlier comments provided to IOE on the draft evaluation report:
  - (i) The conclusion that "a significant share of IFAD projects reviewed as part of this evaluation were falling short on the "do no harm" standard and posed net harm to the environment", therefore stating this as a "negative outcome", is misstated. Especially considering that the evaluation later qualifies this strong statement as follows: "challenges remain in ensuring no harm is done to the environment. In fact, climate responses in 9 of the 20 case studies were found to be a distance from doing no harm and in six cases studies they were close to doing no harm to the system but fell short of this goal". Posing "net harm" and facing "challenges in ensuring that no harm is done" are very different things. IOE itself recognizes that the assessment used in reaching this conclusion is highly complex and has important limitations, which warrants a more careful and nuanced framing of the conclusion. The TE does not fully reflect Management's invitation to clearly describe the methodology used to arrive at this assessment. In addition, the TE does not reflect the additional evidence presented by Management in response to the TE's conclusions for specific country cases, such as Egypt, Ethiopia, Mali and Niger.<sup>1</sup> Consistent with the Fund's Revised Evaluation Policy, IOE's multi-year strategy and the constructive consultation approach currently in place, Management would suggest that for future evaluations, further attention be

---

<sup>1</sup> For example, in the case of the Sustainable Agriculture Investments and Livelihoods Project in Egypt, it is important to clarify that the project does not provide support to water extraction from the Nubian Sandstone Aquifer System, or other non-renewable water resource. On the contrary, the project intends to mitigate unsustainable water withdrawals by, for example, financing drip irrigation. Additionally, the project's climate funds (Global Environment Facility [GEF] and ASAP) were allocated and spent as approved in GEF and ASAP documents.

devoted to the verification of factual information with Management and that clear methods and rules be set out for sample selection. It is important to note that the sample on which this conclusion was based is selective and not random, and therefore not representative of the population.

- (ii) The picture portrayed in the TE as regards the inclusion of climate vulnerability in project targeting is not representative of IFAD's portfolio. While the TE singles out only a few projects that included climate vulnerability in their targeting, Management would like to underscore that the majority – if not all – of IFAD projects include a climate vulnerability assessment in the Social, Environmental and Climate Assessment Procedures (SECAP) leading up to the selection of project areas. Projects may not always select the most climate-vulnerable areas because of other considerations such as poverty levels, market access, government priorities, country programme approach, among others. Being climate responsive is integral to IFAD's work: it is one of the many prioritization factors reflecting IFAD's mandate to eradicate poverty and hunger by investing in poor rural people.
  - (iii) The TE indicates that *"given the downturn in many donor countries due to the COVID pandemic, IFAD is likely to face challenging circumstances in meeting its resource mobilization targets by 2025"*. It is unclear how this conclusion is reached considering that in the first half of 2021, IFAD surpassed its goal of mobilizing US\$200 million in supplementary climate finance during IFAD11: to date, US\$352 million has been mobilized during 2019–2021. Although COVID-19 and other global shocks may pose challenges, IFAD is currently on track to achieve its climate-related resource mobilization target.
  - (iv) The 2019 cut-off for activities considered by the TE necessarily means that notable efforts in support of IFAD11's ambitious mainstreaming agenda are not considered by the review, such as the updated SECAP; the new guidance on monitoring IFAD's core outcome indicators (including survey methodologies); reporting guidance for the ASAP portfolio following the ASAP1 midterm review; and a number of new or refined climate assessment and planning tools, including the Adaptation Framework, Climate Adaptation in Rural Development and related capacity-building activities supported by the ASAP2 technical assistance facility. Importantly, an interdivisional working group on resilience was formed in 2021 to further align approaches for measuring resilience across IFAD and a forthcoming how-to-do note detailing how to design and implement resilience scorecards in IFAD projects is already in pilot stage. These developments, while falling outside the scope of the review, should be noted in light of the statement that IFAD *"continues to evolve its business model to provide CCA response in terms of prioritizing CCA, mobilizing climate finances, providing dedicated institutional support, programming arrangements (design and implementation support), technical and managerial capacities, as well as safeguards and tools to mainstream CCA"*.
4. Management welcomes the six recommendations outlined in the TE. Detailed responses to the recommendations are provided below.
5. **Recommendation 1. Update IFAD Strategy and Action Plan on Environment and Climate Change 2019–2025 to comprehensively address bottlenecks to CCA performance.**
6. **Partially agreed.** Management believes that IFAD's Strategy and Action Plan on Environment and Climate Change 2019-2025 and associated Results Management Framework – as approved by the Executive Board in 2018 and 2019 respectively – already clearly define a corporate hierarchy of results on climate change, and prioritize key actions to support performance. IFAD provides regular updates on progress within the existing framework through corporate reporting channels,

including the annual Report on IFAD's Development Effectiveness (RIDE) and Climate Action Report (CAR). In support of IOE's recommendation, Management will undertake a midline review of the strategy's implementation and propose any relevant adjustments and updates, in particular as IFAD articulates its strategy and road map for alignment with the Paris Agreement.

7. Management agrees with recommendation 1(a) on the need to refine the corporate conceptual framework for climate resilience: as highlighted above, an interdivisional working group on resilience has been formed to develop a streamlined framework for resilience measurement at IFAD, including but not limited to climate resilience. This framework will build on the many relevant elements of resilience measurement already applied in-house.
8. Management also agrees with recommendation 1(b) on ensuring that corporate climate and environment indicators are fit for purpose and remains committed to ensuring quality results reporting in this regard. Management would like to highlight ongoing efforts to enhance the measurement of existing adaptation indicators, e.g. through new training and guidance for ASAP indicators, as well as IFAD core indicators and core outcome indicators dedicated to climate change. Management would also like to note that IFAD's environment and climate indicators are well aligned with those monitored by other international financial institutions investing in climate action in agriculture, including the global climate funds.
9. Management agrees with recommendation 1(c) on the need to dedicate adequate financial and human resources to integrate the use of relevant spatial information (derived from increasingly available satellite imagery or spatial databases) to track resilience outcomes more systematically and to ground-truth these observations. It would like to draw attention to the work of IFAD's community of practice on geographic information systems (GIS), the World Food Programme (WFP)-IFAD climate analysis partnership and the fact that the enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) pillar of the Rural Resilience Programme (2RP) also plans to engage in a GIS pilot programme, further exploring the potential of such monitoring in ASAP+ operations.
10. However, Management disagrees with recommendation 1(d) on establishing an external peer review panel to be integrated into the existing quality assurance process. Management believes that it is more sustainable to invest in strengthening internal capacities – including for the peer review process – rather than recruiting external support, which may lead to further layers of clearance and delay in project approvals.
11. **Recommendation 2. Expand CCA guidance to include restorative solutions.**
12. **Agreed.** Management agrees on the importance of expanding climate change adaptation guidance to include restorative solutions. In particular, Management agrees with recommendation 2(a) on the need to draw lessons from the successful examples, and recommendation 2(b) on taking concrete steps to promote government buy-in of win-win solutions when necessary. However, Management would note that in practice, win-win solutions are frequently not possible in the vulnerable and climate-stressed contexts in which IFAD operates, due to the complexity of balancing social, economic and environmental factors on the ground.
13. Management would like to highlight that key guidance materials and tools are now ready and available for roll-out in new designs. The updated SECAP makes a decisive move towards identifying risks and promoting restoration, notably through its standards on biodiversity conservation, resource efficiency and pollution prevention, and climate change. The Adaptation Framework is now available to use in project design as a planning tool that facilitates the selection of the best possible adaptation options based on multi-criteria assessments. Furthermore, a strategy and action plan on biodiversity will be presented to the Executive Board in

December 2021 and will further promote the pursuit of nature-based solutions at IFAD.

14. Looking at the ongoing portfolio, Management would also like to note that the independent midterm review of ASAP<sup>2</sup> identifies several ASAP projects which already promote restoration, namely: cropland restoration in Sudan, mangrove restoration in The Gambia and Djibouti, land restoration in Mali, pasture restoration in Niger and restoration of watersheds in Ethiopia, among others. Ethiopia, Mali and Niger were also included in the list of projects selected for TE case studies. Finally, evidence from a biodiversity stocktake of 66 projects concluding in 2020-2021 shows that 74 per cent of these included a biodiversity component or biodiversity-related activities. Proactive, nature-based solutions already underpin IFAD's climate change adaptation interventions, and the biodiversity strategy to be presented to the Executive Board in December 2021 will help make such interventions more visible.
15. **Recommendation 3. IFAD should undertake an analysis of staff capacity and skill sets needed to design, implement and monitor the ability to deliver climate finance in 40 per cent of the programme of loans and grants under the Twelfth Replenishment of IFAD's Resources.**
16. **Agreed,** Management agrees with this recommendation, as a growing climate finance portfolio will indeed require increased dedicated staff capacity. Proposals for climate and environment-related staffing are already under discussion in light of the findings of the McKinsey study, together with plans for decentralization 2.0 and IFAD's ambitious climate commitments.
17. **Recommendation 4. IFAD should systematically prioritize with dedicated resources, scaling up and other non-lending activities.**
18. **Agreed.** Management agrees with recommendation 4 and its five sub-recommendations. Management acknowledges the importance of non-lending activities (NLAs) such as scaling up, knowledge management and policy dialogue, and the need to systematically prioritize them. Management would note that while this recommendation is applicable beyond the theme of climate change adaptation, it has been possible for IFAD to consistently emphasize NLAs in the domain of climate change adaptation – e.g. thanks to supplementary resources mobilized through the first and second phases of the ASAP programme. Ongoing resource mobilization for the 2RP further prioritizes NLA-type activities.
19. **Recommendation 5. Develop and implement a framework and strategy for partnerships necessary to achieve results identified in country strategic opportunities programme (COSOPs) and related operations.**
20. **Partially agreed.** Management agrees with the importance of having a framework and strategy for partnerships, and notes that these are already in place through the IFAD Partnership Framework (EB 2019/127/R.4) and the IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025 (EB 2018/125/R.12). Indeed, IFAD has forged several successful partnerships in the area of climate change: on the one hand to increase resources mobilized, for example, from bilateral donors and the global climate funds; and on the other to strengthen technical cooperation, such as through the Nationally Determined Contributions Partnership, the United Nations Environment Management Group and the multilateral development bank working groups on social and environmental safeguards and climate finance tracking. Strengthening partnerships in the climate domain will be one of the areas of focus of the strategy and roadmap for alignment with the Paris Agreement that Management is developing.

---

<sup>2</sup> ITAD, 2020. *Mid-term review of IFAD's Adaptation for Smallholder Agriculture Programme*. [www.ifad.org/documents/38714170/39155702/itad\\_asap\\_midreport.pdf/b198d59a-6758-5953-c1a1-fb19e05b2e0d](http://www.ifad.org/documents/38714170/39155702/itad_asap_midreport.pdf/b198d59a-6758-5953-c1a1-fb19e05b2e0d).

21. **Recommendation 6. IFAD should ensure sustained organizational learning from operational experience to improve current and future CCA performance.**
22. **Partially agreed.** Management agrees on the importance of learning from operational experience to improve current and future CCA performance. In particular, Management agrees with recommendation 6(a) on identifying successful CCA responses; putting in place mechanisms to discuss and ascertain the factors that contributed to success; and based on this discussion, identifying design opportunities. Management also agrees that discussions should include relevant project delivery teams, supervision mission members and relevant staff in Strategy and Knowledge Department, Programme Management Department and other partners and external experts when needed, as per recommendation 6(b).
23. With regard to recommendations 6(c) and 6(d) on a learning framework, Management believes that various existing instruments are already in place and cater appropriately to IOE's proposals, namely: the IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025 (EB 2018/125/R.12); its associated Results Measurement Framework (EB 2019/126/R.3); and reporting mechanisms such as the RIDE and CAR. Rather than introducing new instruments, Management will consider adjustments to outputs and targets following the findings of the midline review of the IFAD strategy mentioned in paragraph 6.