
Report on IFAD's Development Effectiveness 2023

Comments by the Independent Office of Evaluation of IFAD

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FOR: REVIEW

Action: The Evaluation Committee is invited to review the comments of the Independent Office of Evaluation of IFAD on the Report on IFAD's Development Effectiveness 2023.

Technical questions:

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Report on IFAD's Development Effectiveness 2023

Comments by the Independent Office of Evaluation of IFAD

1. In line with the Terms of Reference and Rules of Procedure of the Evaluation Committee and the decision of the Executive Board at its December 2006 session, this document contains the comments of the Independent Office of Evaluation of IFAD (IOE) on the Report on IFAD's Development Effectiveness (RIDE). The report is the Fund's main corporate document analysing institutional and development effectiveness.
2. This edition of the RIDE presents an overview of IFAD performance in 2023 under the Twelfth Replenishment of IFAD's Resources (IFAD12). It reviews the results against the indicators and targets set forth in the corporate Results Management Framework (RMF) for IFAD12, as presented in annex I of the report. IOE acknowledges the continuing collaboration with Management, particularly in improving methodological alignment between the Annual Report on the Independent Evaluation of IFAD (ARIE) and the RIDE.
3. The comments below aim to further strengthen the RIDE's performance reporting in order to better guide IFAD's strategic and operational direction and resource planning. This is in line with the role of IOE to review and help enhance self-evaluation, as prescribed by the 2021 Revised IFAD Evaluation Policy.¹
4. **Discrepancies between the findings of the 2023 ARIE and 2023 RIDE.** Some differences in the ratings between the RIDE and ARIE are to be expected. However, certain disconnects merit close review and are discussed below.
 - (a) **Diverging patterns of performance in conditions of fragility.** The 2023 ARIE found that projects implemented under conditions of fragility significantly underperformed on most evaluation criteria (such as IFAD performance, government performance, efficiency, sustainability, gender equality, environment and natural resource management, climate change adaptation) relative to those in non-fragile conditions. In contrast, figure 1 and the related discussion in the 2023 RIDE (para. 11) indicate that the recent performance of projects in conditions of fragility was superior to the overall portfolio for all evaluation criteria analysed, except for scaling up.

In particular, the ARIE found that just over half the projects (58 per cent) implemented in conditions of fragility were rated moderately satisfactory or better on government performance during 2019–2021, while the share was 73 per cent for projects in non-fragile conditions. In contrast, the RIDE reported that 100 per cent of the projects implemented in conditions of fragility were moderately satisfactory or better on government performance, while the percentage of projects in non-fragile conditions with moderately satisfactory or better government performance was calculated at 84 per cent.
 - (b) **Diverging performance trends in effectiveness, efficiency, and gender equality and women's empowerment.** The 2023 ARIE shows a decline in project effectiveness since 2017–2019 (from 80 per cent performing moderately satisfactorily or better in 2017–2019 to 69 per cent in 2019–2021). In contrast, the trend in the 2023 RIDE was nearly flat during this period, with 88 per cent of projects receiving a moderately satisfactory or better rating.
 - (c) **Challenges to making regional comparisons.** Figure 2 presents a comparison of performance by region. This indicates relatively better performance in East and Southern Africa and weaker performance in Asia and

¹ <https://webapps.ifad.org/members/eb/132/docs/EB-2021-132-R-5-Rev-1.pdf>.

the Pacific along most evaluation criteria. The 2023 ARIE analysed the disconnects between project completion reports and IOE ratings for projects completed between 2012 and 2021 using non-parametric tests and a correlation analysis of the two ratings for 12 evaluation criteria. It noted regional variations in the disconnect between these two ratings. For instance, ESA showed the highest rating disconnect among the regions in 7 of the 12 evaluation criteria, and APR showed the lowest disconnect in 7 of the 12 criteria. Hence, what appears as better performance by ESA compared to APR in figure 2 could well be a reflection of the combination of the larger positive bias in the ratings provided by ESA and the lower positive bias of ratings provided by APR among the regions.

5. **When ratings do not involve the full set of projects due that year, including the most recent ratings may challenge the reliability of performance judgements.** The rationale for the RIDE to continue with self-evaluation ratings instead of ratings from independent evaluations was presented as the need to analyse more recent projects to facilitate better adaptive management. For instance, the 2023 RIDE included ratings from 8 projects in 2022 that had project completion reports finalized. IFAD was expected to complete 27 projects in 2022 but ratings were available for 8 of these. The performance judgements for the period 2020–2022 are very likely to change when the ratings for the remaining 19 projects become available. Given this context, Management is encouraged to reconsider the practice of using the most recent data that yields findings of questionable reliability. It follows that IFAD would be best served by **aligning its practices with those of other international financial institutions (IFIs), namely to use the ratings of the independent evaluations** and avoid having to present performance findings that conflict with those presented in the ARIE.
6. **The reliability and accuracy of the reported outreach data require closer scrutiny.** The outreach number is a critical core indicator in the RMF for IFAD12, as discussed in paragraph 13. IFAD has developed guidelines to measure this accurately. However, data on project outreach are ultimately based on project monitoring and evaluation (M&E) reporting. It would be necessary to ensure that those responsible for measuring outreach in client countries understand these guidelines and report accurate information. In its evaluations, IOE often finds that the outreach numbers are not fully reliable for the following reasons: (i) multiple counting of the same beneficiaries (when a single beneficiary received agricultural support, credit and free agriculture inputs, project statistics may report this as three beneficiaries); and (ii) uneven project M&E reporting, which often confuses direct and indirect beneficiaries, with the latter often estimated based on generous assumptions.
7. **Strengthen the annual report on knowledge management (KM) action plan implementation** (annex VI).
 - (a) **Need for improved results focus and analysis.** The RIDE presents a comprehensive list of KM activities such as introducing knowledge products, evidence reviews, and knowledge-sharing events. However, the discussion does not assess whether these activities have brought about the behavioural or operational changes required to improve IFAD's development effectiveness. The RIDE would benefit from a clear and concrete focus on progress towards the changes sought by these knowledge management interventions and ensure that they are linked to strengthening IFAD as a key development actor in the rural agriculture sector.
 - (b) **Broaden the scope of the report to go beyond the activities of the Strategy and Knowledge Department** and include IFAD-wide efforts to implement the knowledge management action plan.

8. In conclusion, IOE recognizes Management's efforts to improve the RIDE data and analysis. IOE recommends that Management align IFAD fully with the practices of other IFIs and use performance ratings from independent evaluations for reporting to the Board and external partners. IOE thanks Management for this opportunity to comment and looks forward to continuing this productive collaboration to enhance the evaluation function, as reflected in the Revised IFAD Evaluation Policy.