
Response of IFAD Management to the 2025 Annual Report on the Independent Evaluation of IFAD

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Useful references: Revised IFAD Evaluation Policy ([EB 2021/132/R.5/Rev.1](#)), IFAD12 Impact Assessment Report ([EC 2025/130/W.P.5](#)); 2025 Report on IFAD's Development Effectiveness (RIDE) ([EC 2025/130/W.P.3](#)).

Action: The Evaluation Committee is invited to review the Response of IFAD Management to the 2025 Annual Report on the Independent Evaluation of IFAD.

Technical questions:

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Response of IFAD Management to the 2025 Annual Report on the Independent Evaluation of IFAD

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Action: The Executive Board is invited to review the Response of IFAD Management to the 2025 Annual Report on the Independent Evaluation of IFAD.

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I. Introduction

1. Management welcomes the 2025 Annual Report on the Independent Evaluation of IFAD (ARIE) and especially appreciates the learning perspective embodied in the document, in line with the 2021 Revised IFAD Evaluation Policy. The 2025 ARIE combines quantitative analysis on rating trends with useful qualitative evidence on sustainability, a topic selected jointly with Management and highly relevant for the business model of the Thirteenth Replenishment of IFAD's Resources (IFAD13). This approach supports both accountability and learning to strengthen IFAD project and country strategy design and implementation.
2. **Management agrees with the key findings presented in the 2025 ARIE, many of which coincide with those derived from self-evaluation**, such as the importance of maintaining an adaptive management approach and going beyond the delivery of immediate benefits by building long-term resilience. In analysing existing challenges that constrain delivery of results in fragile situations, the ARIE applied a multidimensional definition of fragility that goes beyond the World Bank's classification of fragile and conflict-affected situations. This approach is useful in supporting more detailed analysis of findings and more granular learning.
3. Management's perspective on the performance of lending and non-lending activities – providing information to complement and contextualize the assessment of the Independent Office of Evaluation of IFAD (IOE) and outlining planned and ongoing actions – is presented in sections II and III. Section IV presents Management's suggestions for the development of future ARIE editions.

II. Performance of lending activities

4. **Efficiency remains the lowest-performing criterion among those assessed at completion.** This is partly linked to IFAD's business model of working with the poorest and most vulnerable groups in fragile and conflict-affected situations and achieving deep impact. In addition, projects dealing with building capacities and resilience and working on human development aspects may be more expensive and take a longer time to complete. Maintaining an adaptive programme approach maximizes the chances of higher results and impact but may also imply additional costs.
5. Self-evaluation found that efficiency issues often stem from limited capacity of project management units (PMUs), including weak procurement systems and over-optimistic planning focused on activities rather than results. Delays in start-up and the slow pace of implementation often lead to project extensions, increasing the likelihood of achieving results and sustaining the benefits but increasing operating expenses. Exogenous factors, such as political instability and inflation, also drove down efficiency.
6. **Depending on the country context and demand, efficiency measures need to be balanced with other important aspects, such as sustainability, likelihood of achieving results and compliance with standards.** Projects with extensions have fewer unsatisfactory ratings compared with non-extended projects. Extending project duration enables closer follow-up on the project exit strategy at completion. Designing larger projects generally helps reduce costs at corporate level; however, larger projects can also be more complex, resulting in longer planning and approval times and increased operational costs due to the higher number of activities and implementing partners. IFAD has strengthened its requirements for Social, Environmental and Climate Assessment Procedures

(SECAP) (to safeguard its beneficiaries) and procurement (in line with best practices from other international financial institutions), but these procedures are at times hard to follow in fragile situations.

7. **Cognizant of the implicit limits of its business model, IFAD has been applying adaptive management practices**, including restructuring its portfolio and seeking efficient reallocation of resources. **IFAD has also invested systematically in strengthening PMU capacity**, supporting realistic planning processes and engaging with governments on project financial management. The Fund has been simplifying project design during the Twelfth Replenishment of IFAD's Resources (IFAD12); looking forward, IFAD will also seek more effective delivery models for working in countries in fragile situations with weak institutional capacity and government ownership. The Fund has also designed more agile financing instruments such as results-based lending; adoption is dependent on country demand and context. IFAD will continue capacity-building efforts by expanding the scale of current tools and creating new ones that leverage proximity. **However, these efforts will produce results only if matched by government** commitment to reduce PMU turnover by offering competitive salaries, monitoring PMU staff performance and sponsoring specialized trainings.
8. **Project level assessment of rural poverty impact shows declining trends. This decline is linked to measurement issues as well as to the effects of the COVID-19 pandemic and the food, fuel and fertilizer crisis.** IFAD projects only measure poverty reduction through ad hoc indicators, and the quality of impact surveys is highly dependent on local capacity. Additionally, specific ecological or land-based interventions may take 8 to 10 years to yield tangible benefits; such lags are not always accounted for in evaluation methods. IFAD project logical frameworks include detailed and disaggregated data on output-level results, but outcome-level and impact-level data show room for improvement. Progress has already been made on outcome-level data, as explained in the 2024 and 2025 editions of the Report on IFAD's Development Effectiveness (RIDE). Since IFAD9 (2013–2015), IFAD project logical frameworks no longer include the rural poverty impact indicator, focusing instead on other dimensions, such as income and resilience. While some IOE ratings are based on evaluation field visits, the majority are based on desk reviews of project completion reports. Scarcity of verifiable data contributed to declining ratings of rural poverty impact.
9. **The impact assessments led by IFAD and reported on at the end of each replenishment cycle consistently demonstrate deep impact and confirm attribution of results to the IFAD-supported investments assessed.** This type of systematic evidence complements the evidence stemming from project ratings and counterbalances assessments undertaken by country teams based on limited data. Findings from the impact assessments should therefore be interpreted as complementary to the ARIE findings, albeit with a caveat regarding sample size (in terms of number of projects subject to IFAD-led impact assessments). Going forward, options include using larger sample sizes, which would require additional resources, and/or finding more efficient ways of collecting rural poverty data from the field.
10. **On regional performance, the coverage of the 2025 ARIE and the 2025 RIDE does not capture the results stemming from the most recent initiatives to enhance performance in West and Central Africa (WCA).** Cognizant of the regional constraints that drive down performance ratings, and drawing lessons from both self-evaluation and independent evaluation, Management undertook coordinated actions to address institutional and operational constraints. These include decentralization, recalibration and operationalization of a One IFAD Approach in WCA. Technical expertise is now outposted in regional offices; key vacant leadership roles have been filled; and more robust internal peer review systems have been implemented. In addition, WCA has updated operating

procedures for challenging contexts, particularly fragile and conflict-affected contexts. The effects of these coordinated efforts are already becoming visible in terms of high-quality portfolio reviews, suggesting that the need to look at internal institutional factors is being diligently addressed.

11. **Findings on project performance in countries with fragile situations are consistent overall with findings from self-evaluation.** Projects implemented in non-fragile contexts were generally rated as more effective, efficient and sustainable. The ARIE provides a retrospective view on the period between 2014 and 2023, before IFAD's updated approach to fragility was fully operational. As explained in the RIDE, IFAD has adopted a revised fragility framework and established a dedicated fragility unit to support implementation, capacity development and context-sensitive programming; outcomes will, however, take time to materialize.

III. Performance of non-lending activities

12. Notwithstanding resource constraints, IFAD has been implementing several activities at country and corporate level to actively pursue policy engagement, partnership and knowledge management (KM).
13. **The Fund is engaged in selected thematic policy dialogues in various areas of its project interventions,** and it monitors country-level policy engagement through country programme and project cycle monitoring (including design, midterm reviews, implementation support and project completion reports). Examples include oil palm policy formulation through the ongoing National Oil Palm Project in Uganda and supporting the government's efforts to refine commitments to limit carbon emissions from the livestock sector through the Livestock and Market Development Programme III (LMDP III) in Kyrgyzstan, currently under design. IFAD's core indicator framework includes dedicated indicators on policy-relevant products. In new country strategies, in line with IFAD13 commitments, the Fund ensures alignment with food systems national pathways to identify entry points with new partners. For example, in Uzbekistan, the Government requested IFAD's support in revising the National Food Security and Nutrition Strategy 2021–2030.
14. **At corporate level, IFAD has been funding activities such as the Farmers' Forum¹ and the Indigenous Peoples' Forum,² which are key to better policy engagement, targeting, and stakeholder participation and empowerment.** Results from these activities are reflected in the logical frameworks of projects and country strategies, as they contribute to high-level results and impact. Under IFAD13, all new sovereign and non-sovereign investment projects must be linked to relevant country-level policy goals and supportive policy work by IFAD. In this way, the link between corporate initiatives and country-level results will become more evident.
15. **On partnership, the assessment of IFAD through stakeholder surveys and COSOP completion reviews is positive overall.** Surveys indicate that partners highly value IFAD for its soft skills, including its inclusive convening capacity, consistency, constructive approach and focus on government priorities. While regional divisions implement specific regional plans for partnership cultivation and management, IFAD will continue to use decentralization to build partnerships that leverage financial and technical assistance.
16. **Stakeholders also indicated that mobilizing private sector investment and public-private partnership should be IFAD's top priority in the future, thus validating the IFAD13 business model,** which foresees, among other priorities, that all new country strategic opportunities programmes (COSOPs) identify private

¹ <https://www.ifad.org/en/w/events/the-eighth-global-meeting-of-the-farmers-forum>.

² <https://www.ifad.org/en/indigenous-peoples/ips-forum>.

sector opportunities. The IFAD12 Impact Assessment showed that strong private sector partnerships, better infrastructure and platforms like public-private-producer partnerships (4Ps), as seen in selected IFAD projects in Rwanda and Montenegro, were especially effective at linking farmers to more profitable markets. IFAD will further its engagement in this area by implementing the updated Private Sector Operational Strategy, leveraging its Private Sector Operations Division and its decentralized architecture.

17. **IFAD's KM strategy is evolving from a model focused on knowledge production and coordination to one that promotes continuous operational learning**, supports staff capacity development and ensures that knowledge and data inform programme delivery and results. IFAD's Office of Development Effectiveness (ODE), also created under the 2024 recalibration, leads the corporate knowledge function to better align knowledge, innovation and impact with development effectiveness. ODE continues to lead the Operations Academy, offering country teams targeted learning tools to improve programme design and supervision. Once the enhanced function is fully established, and once there is stronger integration of evidence, learning from operations and capacity development, the formulation of a new KM strategy will begin. The strategy will reflect this refined approach and is scheduled for submission to IFAD's governing bodies in 2026.
18. **Given the scarcity of earmarked resources for non-lending activities, IFAD is adopting a programmatic approach**, implementing projects through various subsequent phases and fostering partnership and government ownership. IFAD will also continue to track results through COSOPs and triangulate them with stakeholder surveys to influence stakeholders more broadly. Maintaining a pipeline of supplementary funds will also be important, especially for upper-middle-income countries, to increase IFAD's value proposition and stimulate borrowing appetite.

IV. The way forward

19. **Future ARIE editions might include or be accompanied by a deeper analysis on a sample of operations, unbundling design and implementation issues** and showing their correlation to results (or lack thereof). This would complement Management's self-evaluation exercise in extracting actionable lessons to shape future country programmes.
20. **Given the increasing coverage of country strategy and programme evaluations (CSPEs), Management is open to strengthening collaboration with IOE on the type of evidence required for CSPEs** and possibly streamlining the process. IOE could thus leverage data collected by Management and triangulate it with additional evidence available to IOE. In turn, Management could explore streamlining the COSOP completion review process.
21. **Management is also open to coordinating with IOE and exploring options for better aligning measurement of rural poverty impact.** A coordinated review of the logical framework of ongoing projects would be useful to establish a baseline and forecast availability of data (or lack thereof) as projects approach completion. This would help identify existing data gaps and action needed to address them.
22. **Management looks forward to continuing its collaboration with IOE to ensure that all evaluation products are relevant, timely and include substantial findings and actionable recommendations.** Evaluation products will thus continue to play a pivotal role in shaping IFAD's programme and enhancing its contribution to the 2030 targets of the Sustainable Development Goals.