Investing in rural people

Evaluation Committee
134th Session
Rome, 4 September 2026

Response of IFAD Management to the 2026 Annual Report on the Independent Evaluation of IFAD

Document: EC 2026/134/W.P.2/Add.1

Agenda: 3

Date: 20 August 2026

Distribution: Public

Original: English

FOR: REVIEW

Action: The Evaluation Committee is invited to review the Response of IFAD Management to the 2026 Annual Report on the Independent Evaluation of IFAD.

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IFAD
Investing in rural people

Executive Board
148th Session
Rome, 15 September 2026

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Document: EB 2026/148/R.13/Add.1

Agenda: 6(a)

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Response of IFAD Management to the 2026 Annual Report on the Independent Evaluation of IFAD

I. Introduction

1. **Management appreciates the comprehensive account of evaluation activities and the learning lens provided by the 2026 Annual Report on the Independent Evaluation of IFAD (ARIE).** In line with the Multi-Year Evaluation Strategy 2022−2027 of the Independent Office of Evaluation of IFAD (IOE), the ARIE supports IFAD's learning culture by bringing evaluative evidence that is relevant to its business model, including thematic analyses of value chain development and discrete interactions with the private sector and youth.

2. **Both the 2026 ARIE and the 2026 Report on IFAD's Development Effectiveness (RIDE)[1] show stronger development results at completion compared to 2025.** Notably, rural poverty impact improved after stagnating in recent years. Past editions of the RIDE have documented improving performance of ongoing projects, and the effects of this improvement are now becoming evident in the ARIE, which captures performance at completion. Key evaluation criteria, including effectiveness, efficiency, sustainability and scaling, also show notable improvement in the 10-year trend (see section II). This is a testament to IFAD's long-term investment in enhanced design and closer supervision.

3. **Management agrees with the key findings presented in the 2026 ARIE.** The remainder of this document presents Management's perspective on the ARIE's key takeaways, drawing from RIDE analysis and internal portfolio stocktakes, and offers suggestions for the way forward.

II. Performance of lending activities

4. This section focuses on the key evaluation criteria that define the change produced by IFAD projects in the livelihoods of poor rural people.

5. **Project efficiency, which had been identified as needing improvement during the Eleventh and Twelfth Replenishments of IFAD's Resources (IFAD11 and IFAD12), shows a consistently improving trend in the ARIE**. Performance in efficiency rose from 56 per cent of projects rated moderately satisfactory or above during IFAD11 to 69 per cent during IFAD12. The RIDE confirms the upward trend for IFAD13. Management infers that the efficiency action plan enacted since IFAD12 is beginning to influence results during implementation and at completion. Sustained progress will require continued attention to procurement performance, given its significant role in implementation delays and cost overruns. To address this challenge, the IFAD grant-financed procurement capacity-building and certification programme (BUILDPROC) has trained over 2,000 project management unit (PMU) staff and stakeholders.[2] IFAD also supported PMU delivery by implementing financial management and disbursement reforms to digitize withdrawal applications; and encouraged the use of a dedicated toolbox for reducing project start-up lags. Continued implementation of the efficiency action plan is crucial for IFAD's business model, as projects with capacity-building components and in fragile situations may cost more and take longer to implement.

[1] The ARIE and RIDE both propagate accountability and learning; they complement each other by presenting two distinct perspectives. While the ARIE is based on independent evaluations and looks at long-term trends to distil data and lessons for midterm improvement, the RIDE is Management's self-evaluation report and captures recent performance and drivers, identifying areas that need quick course corrections. The ARIE and RIDE are presented together to the Evaluation Committee and Executive Board in light of their complementarity.
[2] https://ifad-buildproc.org/.

6. **Since IFAD11, the benefits produced by the Fund's investment are becoming more sustainable for the stakeholders involved.** According to the 2026 ARIE, the share of projects rated moderately satisfactory or above on sustainability rose from 65 per cent in IFAD11 to 69 per cent in IFAD12; the RIDE confirms these positive results. IFAD's portfolio stocktakes showed that well-performing projects leveraged strong local and institutional ownership into government frameworks. IFAD also invested in better exit strategies owned by governments, with emphasis on the handover of project-supported institutions or infrastructure to community groups and government stakeholders. Country teams are also documenting sustainability more accurately, by focusing more on outcome measurement and completion surveys. **According to both the ARIE and the RIDE, IFAD projects are also more scalable than in the past**. IFAD's framework for scaling is supporting enhanced analysis of market opportunities at design, while also encouraging allocation of resources to scale interventions at completion.

7. **According to the ARIE, IFAD projects are more effective in delivering the intended results**, with the share of projects rated moderately satisfactory rising from 72 per cent in IFAD11 to 84 per cent in IFAD12. This may be partly due to IFAD's sharper focus on supporting the implementation of projects in fragile situations. This also explains the recent rise in effectiveness ratings for projects in fragile situations, surpassing those in non-fragile contexts as documented in the ARIE. IFAD maintains proactivity in following up on non-performing projects with more frequent implementation support missions and prioritization of support from headquarters and country offices. Decentralization has been instrumental in improving IFAD's effectiveness by adapting support to the local context and by increasing collaboration across the different operational processes at the regional level.

8. **Linked to effectiveness, rural poverty impact as assessed in the ARIE showed improvement,** after lower results in recent years attributed to the effects of COVID-19 and incomplete methodological alignment in measuring and reporting. The IFAD12 impact assessment demonstrated deeper impact from IFAD12 projects on rural poor people's incomes, agricultural productivity and market access. Going forward, it is proposed that Management and IOE work together to align assessment and rating guidelines for impact (see section V).

9. **IFAD projects foster better gender equality and women's empowerment** with the ARIE recording an increase from 72 to 75 per cent of moderately satisfactory projects since IFAD11. The RIDE also highlighted a marked jump during IFAD13, reaching 89 per cent. The Gender Action Plan 2026−2031 provides the framework for consolidating progress by strengthening implementation, local capacities and integration with IFAD's other mainstreaming themes. In value chain projects, whose share has been increasing in the IFAD portfolio, attention is required not only to women's participation, but also to the profitability of their economic roles, access to finance and assets, influence within producers' organizations and partnerships, and opportunities to move into higher-return functions.

10. **The ARIE and RIDE concur in finding that projects in non-fragile situations generally outperform those in fragile settings, with a few exceptions.[3]** This may mean that additional expenditures and longer implementation timespans are required, especially where weaker institutional frameworks make results less likely to be sustained over time. IFAD will continue to refine its operational approach to fragile situations with the objective of improving implementation efficiency and sustainability. Management also notes that the relevance of projects in fragile

[3] Recent performance in effectiveness and environment and natural resources management in fragile situations is surpassing that of non-fragile situations according to both the RIDE and the ARIE. This is a recent trend that Management will continue to monitor to see if it continues.

situations is slightly lower than in non-fragile situations, and will provide country teams with guidance on better documenting changes made to the original design

11. Building on the ARIE findings on regional performance, Management notes that **recent measures adopted by regional divisions may not yet be visible in the longer-term ARIE trends.** For example, the East and Southern Africa region portfolio health action plan implemented from November 2024 foresees interdepartmental joint accountability for supporting PMU delivery. The West and Central Africa region project completion report action plan includes targeted capacity-building interventions focused on sustainability and exit strategies.

III. Performance of non-lending activities

12. **IFAD leverages decentralization and its global initiatives and platforms to embed non-lending activities into daily operations** in addition to using microgrants and leveraging project components. Despite this, the ARIE reports mixed performance, a fragmented approach across projects and difficulty in tracking results. Stakeholders' feedback as presented in the RIDE offers a positive perception of the effectiveness of the Fund's country strategies and their knowledge management results, while efforts on policy engagement remain ongoing and results score under target.

13. **The Fund is engaged in policy dialogue at both the country and global levels, but results need better tracking.** For example, in Zimbabwe, IFAD has actively supported the Government in policy dialogue on irrigation reform, gender equality, social inclusion, market innovation, food systems transformation, nutrition and biofortification for the past 10 years, and tangible results have been attributed to this effective policy engagement.[4] In Zambia, IFAD supported the formulation of the National Agricultural Investment Plan, the Rural Finance Policy and Strategy and the Zambia National Agribusiness Development Strategy.[5] Country strategic opportunities programmes designed during IFAD13 include policy-related indicators that are coherently linked to the investment portfolios, feeding into project design. The IFAD13 midterm review already shows that new projects are more strongly aligned with national strategies; however, the RIDE and ARIE will capture any improved results in future replenishment cycles.

14. **At the corporate level, IFAD continues to engage in global policy processes and partnerships that help elevate the interests of rural people.** Participation in platforms such as the African Union–European Union Agriculture Ministerial Conference, the Global Gateway Forum, the Italy–Africa Forum and United Nations conferences has strengthened IFAD's contribution to international policy discussions and rural transformation agendas.[6]

15. **The 2026 stakeholder survey also presents a positive reception of IFAD's partnership approach.** At the global level, the Fund collaborates with the other Rome-based agencies through the United Nations Food Systems Summit and the Global Network Against Food Crises. IFAD also leverages initiatives for thematic partnership at project level, such as the Joint Programme on Accelerating Progress Towards Rural Women's Economic Empowerment, which operates in Nepal, Niger, Pacific Island countries, Rwanda, United Republic of Tanzania and Tunisia.[7]

16. **IFAD places special emphasis on building private sector partnerships** at project level (see section IV) and global level. Global initiatives include the G7's Enhanced Linkages between the Private Sector and Small-Scale Producers, the Financing Facility for Remittances, and country-level programmes under the Mattei

[4] IOE. 2026. IFAD actively promotes policy dialogue in Zimbabwe.
[5] Republic of Zambia 2026 country strategy and programme evaluation.
[6] 2025 ARIE.
[7] GC 49/INF.5.

Plan in Côte d'Ivoire and Senegal. These demonstrate IFAD's ability to convene public and private actors around shared development goals.[8]

17. **IFAD's knowledge management approach is evolving from a centralized model toward a more integrated and operationally focused approach.** Building on recommendations from the corporate-level evaluation of knowledge management, IFAD is strengthening country-level knowledge agendas, to help country teams consolidate learning that influences programme delivery. Stakeholders' feedback indicate that IFAD's knowledge products are relevant to their work and provide timely and updated information, with insights to inform programme decisions.

18. **Given the scarcity of earmarked resources for non-lending activities, IFAD aims to amplify policy impact through a medium- to long-term approach driven by multiphase adaptive programming.** The latter supports efforts that require lasting in-country engagement, as in countries with fragile situations, but also support for long-term development paths. It also allows for using an extended timeline to build capacity among public institutions and rural organizations and facilitate the gradual transfer of responsibilities from PMUs to country institutions.

IV. Thematic analysis

19. **IFAD impact assessments show that projects with strong private sector engagement boosted incomes four times more than when there was no engagement.[9]** Private sector actors have become key partners in IFAD's delivery model, with the active portfolio engaging more than 100,000 companies.[10] The ARIE's lessons on value chain development and private sector engagement usefully complement Management's analysis. This helps shape IFAD14 commitments and develop monitoring and evaluation (M&E) and reporting tools for IFAD's initiatives with the private sector. Future analysis will aim to support project delivery teams in discerning between the public-private-producer partnership (4P) model and alternative engagement modalities, such as direct support for micro, small and medium-sized enterprises. As IFAD sovereign operations actively strengthen value chains and improve access to finance, while becoming more complementary to non-sovereign investments in catalytic small and medium-sized enterprises, results are expected to improve further.

20. **Management agrees that stronger results were achieved where youth were connected to commercially viable roles, particularly as service providers and entrepreneurs.** IFAD's Rural Youth Action Plan 2026−2031 partly responds to the lessons highlighted in the ARIE through its focus on employment, entrepreneurship and empowerment. Regarding the scarcity of documented results, Management notes that a large share of the projects assessed were designed before IFAD's first Rural Youth Action Plan was launched in 2019. Since then, IFAD has progressively increased its strategic focus on rural youth, which is also reflected, among others, in its lead technical role on priority 2 of the G20 Agriculture Working Group: Empowering youth and women in agrifood systems.

V. The way forward

21. **The disconnect between self- and independent evaluation ratings at completion has been narrowing** as country teams adopt the common approach laid out in the 2022 Evaluation Manual. Following the 2026 Report of the Third External Peer Review of IFAD's Evaluation Function recommendations, Management looks forward to working with IOE to further harmonize approaches. Management is

[8] IFAD Annual Report 2025.
[9] EB 2025/146/R.16.
[10] EB 2026/147/R.6.

open to collaborating with IOE on a shared set of descriptors to guide performance ratings, and aligning approaches to assess rural poverty impact.

22. Future areas for enhanced collaboration between Management and IOE also include prioritizing the evaluation product mix, aligning evaluation timelines with key IFAD corporate milestones, and leveraging common resources for M&E capacity-building. Management will continue promoting a learning culture around the ARIE, RIDE and other evidence-based products to inform timely and effective decision-making.