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IFAD
Enabling poor rural people to overcome poverty

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

Volume I

Note to Evaluation Committee members

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Executive Board — 106th Session
Rome, 20-21 September 2012

For: **Review**

Contents

Abbreviations and Acronyms

ACP	agreement at completion point
AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
CE	completion evaluation
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
FAO	Food and Agriculture Organization of the United Nations
IE	interim evaluation
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
MFI	microfinance institution
PASK	Poverty Reduction Project in Aftout South and Karakoro (Mauritania)
PBAS	performance-based allocation system
PCRV	project completion report validation
PMD	Programme Management Department
PPA	project performance assessment
PRICE	Project for Rural Income through Exports (Rwanda)
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RUFIP	Rural Financial Intermediation Programme (Ethiopia)
RUSACCO	rural savings and credit cooperatives (Ethiopia)
SMEs	small and medium-sized enterprises

Executive summary

1. This is the ninth edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). This edition reviews 10 evaluations covered in the Annual Reports on Results and Impact of IFAD Operations (ARRI) for 2010 and 2011. It also presents the broad trends identified in the 32 evaluations reviewed in the last four years; and elaborates on the ARRI 2011 learning theme, IFAD's direct supervision. It also focuses on recommendations pertaining to IFAD's engagement with the private sector.

2. Of the recommendations reviewed for this report, 74 per cent were complied with fully. This high compliance rate reflects the focused efforts made by IFAD Management and partner governments to implement accepted evaluation recommendations. Another 20 per cent of the recommendations represent ongoing follow-up status, implying that actions have already been initiated in the directions recommended by the evaluations. Importantly, there was no recommendation where action was pending. Across all the regional divisions, full follow-up was realized for at least 70 per cent of all recommendations in the last four years, not considering the few recommendations not yet due. More importantly, the annual compliance rate has improved from only 54 per cent in 2008 and 57 per cent in 2009, to consistently high levels during the last three years: 72 per cent in 2010, 71 per cent in 2011 and 74 per cent in 2012. In other words, responses to evaluations have been vigorous and improving.

3. Recommendations not yet due or pending are in decline, with none pending and only 4 per cent classified as not yet due or pending in the last four years. This improvement is due not only to increased responsiveness but also to the rigour practised by the Programme Management Department (PMD) and the Independent Office of Evaluation of IFAD (IOE) in selecting only project evaluations and country programme evaluations completed far enough in advance to allow time for a meaningful response to the recommendations made.

4. The compliance rate for the recommendations related to the private sector is 78 per cent over the last four years. This is higher than the overall rate. IFAD's vision for the changing context is captured in its Private-Sector Development and Partnership Strategy. As outlined in this report, the strategy adequately responded to the earlier private-sector evaluation: it was developed with extensive participatory consultations, and clearly articulated IFAD's role in engaging with the private sector and the strategies the Fund should adopt to achieve greater impact.

5. The improving performance of governments was noted by the Evaluation Committee last year. This broad trend reflects increasing country ownership of IFAD-funded projects and programmes: the full follow-up rate for the preceding four-year period has climbed from 46 per cent in 2009 to 51 per cent in 2010, 61 per cent in 2011 and 67 per cent in 2012. This positive trend is facilitated by changes in the operating model, such as direct supervision and implementation support, and by the increasing number and capacity of country offices. Over time, evaluation recommendations have become more relevant and realistic, and that also has contributed to higher compliance rates.

6. In the future, the PRISMA will focus increasingly on the higher-level evaluations such as country programme and corporate-level evaluations. This may require the ARRI to assume an even more important role in synthesizing and presenting recommendations, including by using information made available through project completion report validations. In this light, a closer consultation between IOE and PMD during the drafting phase of the ARRI would be helpful in addressing key findings and recommendations.

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

I. Introduction and methodology

A. Introduction

1. This is the ninth edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). This edition deals primarily with evaluations conducted in 2010 and covered in the 2011 Annual Report on Results and Impact of IFAD Operations (ARRI).[1] As per past practices and reemphasized in the revised IFAD Evaluation Policy,[2] it reports on the evaluation recommendations that are found feasible and implemented by various stakeholders.

2. The PRISMA serves as a crucial accountability tool that responds to the evaluations conducted by the Independent Office of Evaluation of IFAD (IOE), and as a learning tool both for staff of the Programme Management Department (PMD) and for project authorities. It also provides feedback and highlights issues related to evaluation processes and recommendations. In line with the evaluation policy, IOE provides its comments on this PRISMA (see annex I).

3. In response to the Peer Review of IFAD's Office of Evaluation and Evaluation Function,[3] the template and process for the agreement at completion point (ACP), from which evaluation recommendations emerge, has also been revised.[4] The revised template has been used by all ACPs prepared from 2011 onwards. The ACP process allows Management or the Government to specify that they disagree with a recommendation, to give reasons for this position and to specify an alternative course of action.

B. Structure of the report

4. This report analyses and summarizes the follow-up actions taken in response to ACP recommendations in the evaluations covered. The accompanying second volume lists the detailed responses to each strategic and policy-level recommendation received from regional divisions and Management.[5]

5. The methodology adopted in preparing this report is described in section I. Section II provides a review of the coverage and implementation status of recommendations. This includes a response to the learning theme discussed in the 2011 ARRI. Section III examines the implementation status of recommendations considered in this PRISMA, organized by key themes. Section IV analyses the implementation status of recommendations reviewed in the last four years, thus providing a longer-term perspective on responsiveness to evaluations. The issues of government performance and recommendations that are not yet due or pending (raised in previous Evaluation Committee sessions) have been addressed here. This section also considers crucial recommendations related to IFAD's engagement with the private sector, in keeping with the focus of the evaluation of IFAD's Private-Sector Development and Partnership Strategy. The section ends with an overview of implementation status across regions. Section V presents conclusions and recommendations.

6. Because this year's review revealed an increasing number of recommendations focusing on country strategic opportunities programmes (COSOPs) – including the

[1] EB 2011/104/R.8; some evaluations have been carried over from the previous ARRI 2010.
[2] EB 2011/102/R.7/Rev.1.
[3] EB 2010/99/R.6.
[4] As outlined in annex III of EC 2010/65/W.P.6.
[5] EB 2012/106/R.xx/Add.1.

strategies and priorities to be covered in COSOPs and the processes involved in COSOP development – a new thematic category has been added for COSOPs in the analysis.

7. This report also addresses IOE comments on the 2011 PRISMA[6] (see box 1).

Box 1
Addressing IOE comments on the 2011 PRISMA

Gender recommendations: IOE has introduced gender as a specific evaluation criterion.

Timely resolution of ACPs: A new ACP template has been developed, and ACPs signed from 2011 onwards have used this template.

Government response: improved government response was noted in the previous PRISMA and in the comments made by IOE. This is explored further in section IV.B of this report.

Recommendations that are not yet due or pending: The trend with regard to previous not-yet-due or pending recommendations is analysed in section IV.C. In addition, the 2013 PRISMA will address all the not-yet-due or pending recommendations from 2008 onwards.

C. Methodology

8. PMD worked closely with IOE in finalizing the list of recommendations to be reviewed in this PRISMA. They first considered all evaluations discussed in the 2011 ARRI and, from these, agreed on the evaluations to be covered in this PRISMA. Evaluations were not included in the current PRISMA review if (i) the ACPs were finalized too close to the review process to allow sufficient time for meaningful follow-up, or (ii) the subsequent project design or COSOP development (which would address most recommendations from the ACP) had not substantially begun. All such evaluations will be reviewed in the next edition of the PRISMA. PMD then classified the recommendations from the agreed ACPs. Each recommendation was classified along three dimensions: level, nature and theme. These criteria were broadly consistent with those employed in the last three editions of the PRISMA.

9. **Level:** This classification identified the entity responsible for implementing the recommendation. The categories adopted were:

- IFAD at the project level;
- IFAD at the country level, in partnership with government;
- Partner country government authorities;
- IFAD at the regional level; and
- IFAD at the corporate level.

10. **Nature:** This second classification categorizes the recommendation as per the revised evaluation policy:

- **Operational**, if the recommendation proposed a specific action;
- **Strategic**, if it suggested an approach or course of action; and
- **Policy**, if it was related to the principles guiding IFAD.

11. **Theme:** This third classification groups recommendations into 26 thematic categories such as targeting, rural finance and sustainability with COSOPs (a new thematic area). The themes cover five broad blocks: targeting and gender; technical areas; project management; non-lending themes; and cross-cutting themes. The themes are listed in table 5, classified by nature, and in annex II, classified by follow-up status. PMD then shared the list of classified recommendations with IOE to ensure agreement on coverage and classification, and subsequently incorporated IOE's comments.

12. At the second stage, the finalized recommendations were shared with the responsible regional divisions and country programme managers (CPMs). In the

[6] Annex I of the 2011 PRISMA (EB 2011/103/R.7).

case of corporate-level evaluations (CLEs), the appropriate senior focal point was contacted. The responsible parties were asked to comment on the status of follow-up and provide detailed responses to each recommendation. To strengthen the learning loop, divisions and focal points were also requested to provide clear examples of follow-up or, where applicable and possible, the rationale and reason for not fully following up on a recommendation.

13. The responses were then reviewed in PMD. The extent of compliance with the recommendations was assessed as per the following implementation status categories (which were, again, consistent with the categories used in the last two editions of the PRISMA):

- **Full follow-up:** recommendations fully incorporated into the new course/ design of activities/operations/programmes;
- **Not yet due:** recommendations that will be incorporated into projects/country programmes/COSOPs to be completed and approved;
- **Ongoing:** actions initiated in the direction recommended in the ACP;
- **Partial:** recommendations not fully applied or applied differently from the way agreed in the ACP, but respecting the underlying philosophy;
- **Pending:** recommendations that could not be followed up; and
- **Not applicable:** recommendations that have not been complied with because of changing circumstances in country development or IFAD corporate governance contexts, or for other reasons.

14. The classification scheme outlined above allows PMD to monitor the extent of compliance with ACP recommendations and also to analyse the nature of follow-up for the different criteria.

II. Review of the implementation status of the recommendations reviewed in 2012

A. Evaluation coverage and contents

15. This PRISMA covers ten evaluations, five of which were carried over from 2011:

(a) Ethiopia: Rural Financial Intermediation Programme (interim evaluation – IE);

(b) India (country programme evaluation – CPE);

(c) Mauritania: Poverty Reduction Project in Aftout South and Karakoro (IE);

(d) Niger (CPE); and

(e) Uganda: Vegetable Oil Development Project (IE).

16. The remaining five evaluations covered in this PRISMA were included in the 2011 ARRI:

(a) Dominican Republic: South Western Region Small Farmers Project – Phase II (completion evaluation – CE);

(b) IFAD's Private-Sector Development and Partnership Strategy (CLE);

(c) Kenya (CPE);

(d) Lao People's Democratic Republic: Oudomxai Community Initiatives Support Project (CE); and

(e) Rwanda: Smallholder Cash and Export Crops Development Project (IE).

17. PMD and IOE agreed that the other evaluations included in the 2011 ARRI will be carried over to next year's PRISMA. These include: CPEs from Ghana, Rwanda, Viet Nam and Yemen; and IEs from Brazil, Ghana and the United Republic of Tanzania. In addition, the CLE of IFAD's performance with regard to gender equality and

women's empowerment (in response to which IFAD's Policy on Gender Equality and Women's Empowerment was submitted to the Executive Board in April 2012) will also be included in the tenth edition of the PRISMA. See box 2 for the list of evaluations covered in this edition of the PRISMA.

Box 2

Evaluations covered in the 2012 PRISMA

The 10 evaluations covered in this PRISMA are as follows:

A. **Interim evaluations** were mandatory, under the earlier evaluation policy, before a further project phase was started or a similar project was launched in the same country. The following four IEs are considered in this PRISMA:

1. Ethiopia: Rural Financial Intermediation Programme
2. Mauritania: Poverty Reduction Project in Aftout South and Karakoro
3. Uganda: Vegetable Oil Development Project
4. Rwanda: Smallholder Cash and Export Crops Development Project

B. **Completion evaluations** were normally conducted, as mandated by the earlier evaluation policy, after the finalization of the project completion report prepared by the borrower after the project had ended. The following two CEs are included in this PRISMA:

5. Dominican Republic: South Western Region Small Farmers Project – Phase II
6. Lao People's Democratic Republic: Oudomxai Community Initiatives Support Project

C. **Country programme evaluations** assess the performance and impact of IFAD-supported activities in a given country and thus provide direct and concrete building blocks for reviewing and formulating a results-based COSOP. The following three CPEs have been included in this PRISMA:

7. India
8. Niger
9. Kenya

D. **Corporate-level evaluations** assess the effectiveness and impact of IFAD-wide policies, strategies, instruments and approaches. The following CLE is discussed in this PRISMA:

10. IFAD's Private-Sector Development and Partnership Strategy

18. This PRISMA covers ACPs emerging from evaluations conducted in four of the five regional divisions. The 2012 distribution across regional divisions and by type of evaluation is presented in table 1.

Table 1
Regional distribution of evaluations covered in the 2012 PRISMA

Regional distribution	*IE*	*CE*	*CPE*	*CLE*	*Total*
West and Central Africa	2	-	1	-	**3**
East and Southern Africa	2	-	1	-	**3**
Asia and the Pacific	-	1	1	-	**2**
Latin America and the Caribbean	-	1	-	-	**1**
Near East and North Africa	-	-	-	-	**-**
Corporate IFAD	-	-	-	1	**1**
Total	**4**	**2**	**3**	**1**	**10**

19. This PRISMA does not cover any evaluations conducted by the Near East, North Africa and Europe Division, since there was no evaluation completed for the region in this review period. However, three projects from this region are listed in the synthesis of evaluations considered by PRISMAs from 2009 to 2012 (see annex III).

20. Individual recommendations from each ACP included in the PRISMA are reviewed. Often, recommendations are further divided so that different kinds of actions covered by a single recommendation are not lost for follow-up. Following this process, a total of 167 recommendations were extracted from the 10 ACPs

reviewed. Therefore, on average, each ACP yielded 17 recommendations. In terms of average number of recommendations per ACP, this is in line with recent trends: 18 in 2009, 19 in 2010 and 18 in 2011. IOE has therefore maintained the practice of providing fewer, but more focused, recommendations in the ACPs.

21. In terms of the level at which the recommendations are to be implemented, the majority (80 per cent) are addressed to the country level. This suggests that the crucial level for implementing follow-up for projects and programmes is at IFAD country-level management, in partnership with governments. In comparison, few recommendations are addressed directly and exclusively to project authorities and governments (7 and 5 per cent respectively). Recommendations at the corporate level (5 per cent) emerge from the private-sector CLE. The distribution of recommendations by level and type of evaluation is presented in table 2 below.

Table 2
Evaluation recommendation by type of evaluation and level

	IE	*CE*	*CPE*	*CLE*	*Total (number)*	*Total (percentage)*
IFAD corporate level	-	-	-	9	**9**	**5**
IFAD regional level	-	-	4	-	**4**	**2**
IFAD country/government	51	21	62	-	**134**	**80**
Government authorities and institutions	3	-	6	-	**9**	**5**
Project	-	10	1	-	**11**	**7**
Total (number)	**54**	**31**	**73**	**9**	**167**	**100**
Total (percentage)	**32**	**19**	**44**	**5**	**100**	

Note: Percentages in the tables may not add to 100 due to rounding.

22. With regard to the nature of the recommendations, 2 per cent were addressed to the corporate level and suggested policy changes. These emerged from the private-sector CLE. Some 63 per cent were strategic in nature. Strategic recommendations commonly address partnerships at the country level, and highlight issues related to the future design of projects and the formulation of COSOPs. The remaining 35 per cent were operational in nature. Operational recommendations commonly concern modalities for forging partnerships, steps for strengthening field presence and measures for improving project performance. Table 3 classifies recommendations by level and nature.

Table 3
Distribution of evaluation recommendations by level and nature

	Operational	*Strategic*	*Policy*	*Total (number)*	*Total (percentage)*
IFAD corporate level	-	6	3	**9**	**5**
IFAD regional level	2	2	-	**4**	**2**
IFAD country/government	47	87	-	**-**	**80**
Government authorities and institutions	4	5	-	**-**	**5**
Project	6	5	-	**-**	**7**
Total (number)	**59**	**105**	**3**	**167**	**100**
Total (percentage)	**35**	**63**	**2**	**100**	

B. Implementation status: extent of compliance

23. Table 4 provides a breakdown of the implementation status of the 167 recommendations reviewed for this PRISMA. Annex II shows implementation status classified by theme.

Table 4
Implementation status of evaluation recommendations

Level	*Full follow- up*	*Not yet due*	*Ongoing*	*Partial*	*Pending*	*Not applicable*	*Total (number)*
IFAD corporate level	6	-	1	-	-	2	**9**
IFAD regional level	-	-	4	-	-	-	**4**
IFAD country/government	105	-	24	2	-	3	**134**
Government authorities and institutions	5	-	1	2	-	1	**9**
Project	8	-	3	-	-	-	**11**
Total (number)	**124**	**-**	**33**	**4**	**-**	**6**	**167**
Total (percentage)	**74**	**-**	**20**	**2**	**-**	**4**	**100**

24. **Recommendations fully followed up.** Of a total of 167 recommendations, 124 recommendations (about 74 per cent) have been fully implemented. The following are some examples of fully followed-up recommendations:

(a) The private-sector CLE recommended a more focused definition of the private sector. IFAD's new private-sector strategy[7] responds fully to this recommendation. While recognizing that the rural private sector covers the entire spectrum from the small-scale farmer and trader to the large multinational business, the strategy focuses on how IFAD intends to engage with the "corporate private sector", defined as for-profit businesses or companies that are not owned or operated by the government. Further, the strategy highlights that the corporate private sector in rural areas includes various types of companies with varying levels of formality, revenue, size and outreach. The heterogeneity of private-sector entities in rural areas is mapped out, and the different entities that could be classified as small-to-medium or large corporate private sector are indicated.

(b) In India, the CPE recommended deeper convergence with government. Further, it suggested that project management units should be aligned with state governments. In response, an in-depth analysis was undertaken during the design of two new projects in the 2010-2012 cycle of the performance-based allocation system (PBAS). Both projects are being directly implemented by state government administrations.

(c) The Uganda IE raised concerns about declining soil fertility and the need for farmer training in the use of fertilizers and conservation agriculture. A newly designed project makes the introduction of conservation agriculture one of the main objectives of the extension services being provided. The extension topics promoted through field demonstration sites include a focus on agronomy, fertilizer use, conservation, crop rotation, improved seed varieties, and pest management.

(d) The Mauritania IE recommended promoting community ownership of project activities. In response, project support will mainly be implemented through producer organizations. A community-based institution will decide the social investments to be undertaken. Sylvo-pastoral resources will be managed at the intercommunal level. For all activities involving investments in infrastructure, maintenance agreements will be formalized with users to promote community ownership.

25. This PRISMA highlights IFAD's robust response to ACP recommendations. The share of fully implemented recommendations, only 54 per cent in 2008 and 57 per cent

[7] EB 2011/104/R.4/Rev.1.

in 2009, has been consistently high over the last three years: 72 per cent in 2010,[8] 71 per cent in 2011 and 74 per cent in this review.

26. **Recommendations being followed up (ongoing)**. For another 33 recommendations (about 20 per cent of the total), the recommended actions or strategies are currently being implemented. These include actions that take longer to realize, but towards which steps have already been initiated. Some examples include:

    (a) In Kenya, the CPE suggested that the new COSOP should articulate how various instruments will complement each other and contribute to achieving country programme objectives. The COSOP formulation already has an emphasis on examining the full range of instruments – including loans, grants, policy dialogue, partnerships, knowledge management and pooled financing arrangements – and assessing how they contribute to achieving programme objectives, and these will be integrated into the COSOP.

    (b) The CE for the Lao People's Democratic Republic recommended that a future project should have a fully resourced knowledge management component to analyse lessons from the Oudomxai Community Initiatives Support Project and other projects. It also stated that the knowledge products that emerged should be widely disseminated. This is planned in the recently approved Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme, and efforts are under way. A first knowledge-sharing exercise was undertaken at the start-up workshop on 15 March 2012 in Vientiane where staff of all IFAD-funded projects in the country were invited, along with representatives of other Lao projects working in similar fields.

27. **Recommendations partially followed up.** For four recommendations (2 per cent of the total), follow-up has been partial. This implies that the project or country teams respected the spirit of the recommendation and undertook changes in strategy or operations accordingly, but were unable to comply fully due to constraints or changes in the country or project context. An example can be found in the India CPE where it was suggested that state governments should participate in IFAD missions. Accordingly, all supervision missions (called joint review missions in India) are now undertaken in collaboration with state governments. It was also suggested that state governments ensure competitive salaries for project staff in order to retain talented people. In response, salary structures across the states range from competitive to uncompetitive. While project salaries may be competitive at the time of approval, market-wide salary structures may become outdated quickly (for example, a project initiated by another international organization may emerge soon after approval and offer better salaries and benefits).

28. **Recommendations not applicable.** Six recommendations (about 4 per cent of the total) were classified as not applicable. This is mainly due to changing development or policy contexts at the country level, or to corporate governance contexts. For instance:

    (a) The private-sector CLE recommended the establishment of a separate private-sector financing facility. The Executive Board did not, however, support this during discussions of the private-sector strategy following its presentation (see document EB 2011/104/R.4/Rev.1). Therefore, Management has not proceeded with the facility.

    (b) Similarly, the Niger CPE recommended that IFAD support the regional implementation of the Government's rural development strategy. That

[8] The 72 per cent compliance rate for 2010 has been updated since dropping the North Korea recommendations from the dataset (the corresponding figure in the 2010 PRISMA was 62 per cent).

strategy has, however, since been replaced by a new food security and agricultural development strategy (the i3N – initiative for Niger feeding Niger). IFAD-funded operations are now fully integrated.

29. **Recommendations not yet due.** There were no recommendations that were classified as not yet due in this year's review. Every project, programme or policy that was responsible for implementing the recommendations had already started undertaking follow-up action. The not-yet-due recommendations and related longer-term trends are discussed in detail in the next section.

30. **Recommendations pending.** No recommendation included in this year's PRISMA was pending implementation. In other words, every relevant recommendation covered has been addressed through appropriate action. This is also in line with long-term trends: in the last four years, the share of pending recommendations has been 2 per cent or lower.

31. **Recommendations not agreed upon.** The revised ACP template provides Management and governments with the opportunity to identify recommendations that are not agreed upon. In these cases, an alternative course of action is also outlined. From the ACPs reviewed this year, only two recommendations, both from the Rwanda IE, were not entirely agreed upon. IFAD and Management agreed on the inadequacies in the management of cooperatives, but did not agree that a detailed analysis was needed. The design of the Turnaround Programme (a pipeline project), instead, includes custom-made support to build the management capacities of participating cooperatives. With regard to the studies proposed by the evaluation, the Government and Management did not agree with the proposed themes, but suggested alternative areas that will be of greater operational relevance.

C. Response to 2011 ARRI recommendations

32. Following up on the decision of the Executive Board in December 2010, the 2011 ARRI focused on direct supervision and implementation support as the learning theme. The ARRI noted that shifting to direct supervision was one of the most far-reaching reforms since the establishment of IFAD, leading to profound changes in IFAD's operating model. The two processes of supervision and implementation support have been internalized in IFAD. The contributions of these processes towards an improved portfolio have been observed across the portfolio. This includes swifter and timelier identification of risks, joint problem-solving with partner governments and more effective identification of solutions. The ARRI observed that direct supervision had contributed to improved performance. It had allowed IFAD to get "closer to the ground" and understand country contexts better, and it had facilitated better follow-up with executing agencies and closer cooperation with stakeholders. Benefits were clear in terms of improved quality of project design, reduced problem projects and improved implementation (especially in cases where increased implementation support was also provided).

33. The 2011 ARRI also commended IFAD on its efforts to move to direct supervision. The implementation plan was ambitious and the rapid transition attests to the seriousness and commitment of CPMs and PMD as a whole. Some issues raised by the ARRI are briefly discussed here.

34. The ARRI raised the issue of manuals being available only nine months after the approval of the IFAD Policy on Supervision and Implementation Support and the problem of the lack of clarity in the roles and responsibilities of different divisions. Currently, comprehensive guidelines for supervision and implementation support are in place (first issued in September 2007 and updated since then). They are comprehensive, as indicated in the IOE synthesis report on direct supervision, [9] and cover the context of supervision and the supervision cycle including specific

[9] EC 2011/69/W.P.6/Rev.1.

actions, loan administration and special issues (such as targeting, gender, innovations and knowledge management). Guidelines were also prepared for the preparation of aides-memoires and project status reports. In November 2010, an information circular was issued that clearly defines the roles and responsibilities of functional units and staff.

35. The ARRI mentioned that little training was provided to build staff capacity. However, at present practically all PMD staff (and staff from other divisions involved in supervision) have gone through a relevant training programme. A total of 251 staff members have been trained to date (as at April 2012), including 63 from country offices.

36. The ARRI noted that there were variations across regional divisions with regard to the implementation of the policy. Currently, in terms of the extent of implementation and capacity, all staff across divisions have been trained and projects are being directly supervised in all regional divisions. The ARRI also raised issues concerning the workload of the CPMs and the possibility of conflict of interest on the part of the CPM. The latter stems from two pressures: the fact that CPMs may be supervising projects that they have themselves been responsible for designing, and the fact that CPMs may become too involved in project management (which is the responsibility of the government and not IFAD). To address these issues, rigorous review processes and tests are conducted during the annual portfolio review to ensure that supervision assessments are candid and comprehensive. This includes peer reviews within divisions, statistical analyses and tests and qualitative assessments of ratings at global and divisional levels. In any case, the final performance rating of the project portfolios is assigned at the departmental review.

37. The ARRI also highlighted the issue of moving to the country programme level and how effective COSOP supervision could be undertaken. In a few countries, missions are clustered around the entire programme to conduct an overall programme review that assesses coherence across the programme. Recent COSOPs have noted that direct supervision has supported greater integration of grants and loans.

38. The division of labour between country offices and headquarters was also identified as a concern. Country office staff are increasingly participating in missions; the delegation of authority and responsibility is being examined. Other issues that ARRI flagged for inclusion in the forthcoming CLE on direct supervision (paragraph 139, ARRI 2011) include knowledge management on supervision and implementation support processes, institutional and individual accountability and incentives, measures to improve understanding of costs, joint organization of supervision with cofinanciers and governments, and assessment of the quality of supervision missions and related issues.

39. Overall, the CLE on direct supervision will provide useful guidance on these crucial processes. Over the Ninth Replenishment period (2013-2015), a key issue that the CLE should address further is exploring how supervision can play a role in assessing impact, including concrete indicators such as people moving out of poverty.

40. With regard to the ARRI recommendations (main ARRI recommendations, paragraph 146, ARRI 2011), IFAD Management supported two of the recommendations:

    (a) The proposal to include IFAD's approaches and results in conducting policy dialogue as the learning theme for the 2012 ARRI; and

    (b) Development of the required incentives and accountability framework for increasing the number of CPMs posted in IFAD country offices.

41. With respect to (b) above, a set of incentives for internationally recruited staff assigned to country offices have already been approved.[10] In terms of accountability, terms of reference have been reviewed and updated by PMD, in collaboration with the team implementing the job audit exercise. This included the terms of reference for CPMs posted to IFAD country offices.

III. Implementation status by key themes included in the evaluations reviewed in 2012

42. This section looks at the thematic classification of recommendations made in the 10 evaluations reviewed in 2012. These have been organized into five thematic blocks and further subdivided into 26 thematic areas[11] as listed in table 5 (there were no specific recommendations related to governance or decentralization). As stated, COSOPs have been included as a new thematic area.

Table 5
Evaluation recommendations by theme and nature, in the 2012 PRISMA

Block	*Theme*	*Nature*			*Total (number)*	*Total (percentage)*
		Operational	*Strategic*	*Policy*		
Targeting and gender	Targeting	2	6	-	8	5
	Gender	-	1	-	1	1
	Beneficiaries	1	5	-	6	4
	Organizations of the poor	2	2	-	4	2
Technical areas	Private sector and markets	2	4	3	9	5
	Natural resource management	1	4	-	5	3
	Analysis, studies and research	1	2	-	3	2
	Rural finance	2	6	-	8	5
	Infrastructure	1	1	-	2	1
	Training and capacity-building	3	2	-	5	3
	Project design and formulation	4	11	-	15	9
	Project management and administration	3	1	-	4	2
	Country presence	8	2	-	10	6
	Results measurement, monitoring and evaluation	1	-	-	1	1
	Human resources	3	1	-	4	2
	Supervision	3	2	-	5	3
Non-lending activities	Partnerships	9	17	-	26	16
	Policy dialogue	1	2	-	3	2
	Knowledge management	3	2	-	5	3
Cross-cutting	Sustainability	1	3	-	4	2
	Innovation	-	7	-	7	4
	Replication and scaling up	-	3	-	3	2
	COSOP	3	10	-	13	8
	Strategy	5	11	-	16	10
Total (number)		**59**	**105**	**3**	**167**	**100**
Total (percentage)		**35**	**63**	**2**	**100**	

[10] The proposed incentives package includes (i) developing a mechanism to bring staff back to headquarters after two successful outposted assignments; (ii) including successful performance in IFAD field experience as a relevant element for consideration for promotion to banded positions; (iii) providing rest and recuperation leave for all internationally recruited professional staff required to work in duty stations under hazardous, stressful and difficult conditions (as identified by the United Nations); (iv) giving IFAD-specific titles to CPMs at the P-4 and P-5 levels; and (v) providing a special post allowance to all outposted CPMs for the duration of their assignment in IFAD country offices.

[11] Often, a recommendation can pertain to more than one thematic area. The thematic classification is agreed upon by both PMD and IOE, and it is usually the theme deemed most relevant or in line with the emphasis of the evaluation.

43. The most common theme emerging from the recommendations this year is partnerships, which is covered in 26 recommendations (16 per cent). Recommendations often concern partnerships with implementing agencies/NGOs, governments at central and provincial levels, private-sector entities and other international agencies. Two other common themes are project design and COSOP development (9 and 8 per cent respectively). Frequently the recommendations suggest priority areas and strategies. Sometimes, they also offer focused advice on the design or development process itself.

A. Targeting and gender

44. **Targeting.** A total of eight recommendations applicable to targeting were agreed on in ACPs. The strategies suggested included: more focused geographic and regional targeting; emphasis on women and minority ethnic groups; and more precise definitions for target groups.

(a) In India, in response to the ACP, the focus remains on the 11 states currently covered by ongoing projects. Smallholder farmers have been identified as the primary target group, with an emphasis on women and minority communities.

(b) In Mauritania, the second phase of the Poverty Reduction Project in Aftout South and Karakoro Phase II – PASK II clearly identifies the poorest rural households as the target group (21,000 households, mainly comprising small farmers/breeders). A three-phase targeting approach recommended by Mauritania's poverty reduction strategy paper will be used to identify the poorest villages geographically. The project will target poor women and young people and will use community-based mechanisms for self-targeting of the poorest and most vulnerable households.

(c) In the Lao People's Democratic Republic, it was suggested that a new project should explicitly focus on remote ethnic villages. About 90 per cent of the target group of the Soum Son Seun Jai Programme are from ethnic groups, many living in remote villages. Specific criteria have also been incorporated for the selection of target villages.

45. **Gender.** One recommendation addressed gender specifically. In Kenya, it was recommended that IFAD should continue working on gender equality and women's empowerment. A new project, the Upper Tana Catchment Natural Resource Management Project, specifically addresses the roles of, and opportunities for, women. A special focus in terms of targeting will be on women, and on the activities that they traditionally engage in (such as collecting fuelwood and fetching water) that involve the use of natural resources.

46. Overall, few ACP recommendations have focused specifically on gender and therefore been covered in the PRISMA. However, this will change when the gender evaluation[12] is examined in the next PRISMA. In IFAD, gender-related criteria have been incorporated in portfolio review processes throughout the project cycle, including in design (quality enhancement and quality assurance), implementation (in the project status reports and the portfolio reviews) and at completion (in the project completion review process). These criteria are also specifically assessed by IOE in the project completion report validations (PCRVs) and project performance assessments (PPAs) now being conducted in place of project evaluations.

47. **Beneficiaries.** Six recommendations addressed the need for greater participation of stakeholders and beneficiaries. In Mauritania, a community-based institution has been mandated to decide the social investments to be made through the project. In the Dominican Republic, the new projects include a diagnostic assessment of economic community organizations. These organizations will also serve as the entry point for projects in the context of the COSOP.

[12] EB 2010/ 101/ R.9/ Rev.1.

48. **Organizations of the poor.** The four recommendations related to this theme stressed the consolidation of local and community organizations. In Kenya, in response to the CPE, the Upper Tana project will deliver a number of crucial project benefits through strengthened grass-roots organizations. The strategy includes reinforcing key community organizations by increasing their capacities to manage natural resources sustainably.

B. Technical areas

49. **Private sector and markets.** The evaluations reviewed in this PRISMA made nine recommendations focusing on the private sector. Those relating to the CLE are presented separately in subsection IV.D below.

    (a) In the Niger, the CPE recommended that the new project should focus on promoting the access of poor rural communities to markets. A new project, the Food Security and Development Support Project in the Maradi Region, focuses on the access of farmers' organizations to the five main rural markets in Maradi.

    (b) In Uganda, the evaluation recommended support for value addition and mechanization, together with post-harvesting and group marketing. The newly launched Vegetable Oil Development Project, Phase II, supports mechanization and animal traction. This is, in fact, a key theme for extension, and includes other labour-saving techniques and household and village-level oil pressing. Issues related to post-harvesting are also a main extension theme. The extension methodology is based on group participation, using a participatory monitoring and evaluation (M&E) approach, and on farmer group mobilization. The project is addressing group marketing by promoting bulking arrangements and by building the capacity of smallholders to participate in these activities.

50. **Natural resource management.** Five recommendations related to natural resource management. In Uganda, the evaluation recommended a social and environmental impact assessment. This is being addressed through an environmental and social impact assessment in Buvumi and the outlying islands. An environmental management plan with a focus on communications is being further developed.

51. **Analysis, studies and research.** Three recommendations emphasized conducting studies to decide future actions. In Rwanda, while Management and the Government did not agree on the specific studies recommended, a new project, the Project for Rural Income through Exports – PRICE, will be conducting studies on coffee pulp transformation, market and value chain analyses for promising commodities and the promotion of farmer field schools.

52. **Rural finance.** Eight recommendations concerned rural finance. In the Dominican Republic, a subcomponent to pilot the design of a weather index-based insurance scheme has been developed in response to the evaluation recommendation that a climate insurance instrument should be supported. A number of recommendations related to the interim evaluation of the Rural Financial Intermediation Programme (RUFIP) in Ethiopia. The key strategies to address these recommendations in RUFIP II are presented in box 3.

Box 3
Strengthening rural finance in Ethiopia

In Ethiopia, the evaluation found that both the microfinance institution (MFI) and the rural savings and credit cooperative (RUSACCO) subsectors had great potential but had different strategic requirements. Therefore, the second phase of the Rural Financial Intermediation Programme treats MFIs and RUSACCOs as two distinct subsectors of the Ethiopian rural finance market. The programme has provided for the development of the respective subsectors following in-depth considerations of their specific requirements.

Based on key lessons learned over the past ten years, the programme envisages incremental savings of about US$1.1 billion through both compulsory and voluntary products. As a condition for programme credit support, MFIs are required to expand outreach to excluded people, offer a greater variety of products and increase customer savings.

RUFIP II will also conduct significant institutional strengthening. An apex organization will be instituted under the programme; details of its vision, mission, legal framework, ownership, function, governance, organizational structure and possible basket of resources have been developed.

At the institutional level, adequate provisions have also been made to improve the regulation and supervision of RUSACCOs. The key expected outcomes along this front includes establishing a separate department for rural financial cooperatives (at the national, regional, zonal and *woreda,* or district, levels). In addition, separate legal codes for rural cooperatives, regulatory frameworks for financial cooperatives, supervisions manuals and functioning management information systems will be developed for the financial cooperatives.

53. **Infrastructure.** Two recommendations pertained to infrastructure. The Lao programme has vested the responsibility for maintenance of rural infrastructure in communities. It has created village road maintenance groups across 50 villages, which assume responsibility for routine road maintenance. The programme will train villagers to maintain drinking water schemes and to supervise the financing of scheme maintenance and repairs. Similarly, for irrigation, the water user associations will develop a set of internal rules and regulations for operation and maintenance.

54. **Training and capacity-building.** Five recommendations related to training and capacity-building. The recommendations touched upon expanding the capacities and roles of producer organizations and cooperatives, and strengthening government and project capacity.

(a) In the Niger, the evaluation recommended providing adequate technical assistance to project teams, especially in areas where capacity might not be available locally. In response, international technical assistance on M&E, fiduciary aspects and financial management has been provided to project teams. This exercise, conducted in 2011-2012, was performed for all ongoing projects and for the projects under design.

(b) In Rwanda, in efforts to promote institutional sustainability, specific capacity-building support for unions and federations is foreseen to respond to cooperatives' demand for services. In the implementation of PRICE, cooperatives and their apex structures are central stakeholders for production development, marketing, provision of support services and participation in value chain governance. The PRICE strategy and programme of activities are geared towards (i) ensuring that, by the end of the project, the cooperatives have become professional players in their respective value chains, and (ii) monitoring that their members reap a fair return of value chains' added value.

C. Project management

55. **Project design and formulation.** Fifteen recommendations, or about 9 per cent, related to project design and related processes.

(a) In the Niger, it was suggested that IFAD-funded projects should seek simplicity in project objectives and activities. This has been given due attention, and project logical frameworks are simplified during design and

supervision missions. Specifically, all project logframes have been simplified over 2011-2012. Additionally, in response to the evaluation recommendations, IFAD-funded projects have developed sufficiently flexible interventions. The projects responded adequately to the food and pastoral crises in 2009-2010 and 2011-2012.

(b) In Rwanda, it was suggested that the next phase of PRICE should focus on expanding the capacity to process coffee. In the follow-up PRICE project, the value chain approach places emphasis on the processing and marketing of export crops, particularly coffee. The coffee development component of PRICE aims at securing better returns to coffee growers through higher marketed volumes and better prices for higher quality. In line with the National Coffee Strategy, PRICE supports increasing the production of high-grade, fully washed coffee by making existing washing stations profitable; increasing the number of well-managed eco-friendly mini-washing stations; and enhancing processing techniques for improved coffee washing, cupping, milling and presentation through training/capacity-building and development of standards and norms. PRICE will support existing cooperative-owned coffee-washing stations and the installation and operation of up to 50 mini-washing stations.

(c) In response to the evaluation, the country programme in the Dominican Republic is currently under the responsibility of the Ministry of Agriculture and ensures an institutional and policy anchor specializing in rural development. However, the Ministry of Economy and Planning, which is the institution responsible for the 2010-2030 National Development Strategy, participates in the Steering Committee of IFAD-funded projects.

56. **Project management and administration.** Four recommendations focused on project administration.

(a) In the Dominican Republic, it was suggested that strategic functions be performed by entities with appropriate experience and capacity. Both the IFAD-funded projects are now managed by an Inter-American Development Bank (IDB)/IFAD co-funded management unit, which had proved to be very successful in the execution of a previous IDB project. This unit was institutionalized by the Minister to become the project execution unit for all IDB- and IFAD-funded projects under the responsibility of the Ministry of Agriculture.

(b) In the Lao People's Democratic Republic, the evaluation considered that the primary responsibility for project management and coordination should be located in the provincial and district offices. The new Soum Son Seun Jai Programme addresses this concern by decentralizing implementation down to the lowest level, the *kum-ban*, while, at the same time, including an oversight and coordination role at the national level.

57. **Country presence.** Ten recommendations concerned country presence. In all cases, Management has made efforts to strengthen country offices further.

(a) In India, the evaluation noted a need to reinforce the IFAD country office, including by outposting the CPM to New Delhi and appointing a full-time coordinator. The country office has been strengthened through the appointment of a senior country coordinator in September 2011. IFAD has agreed to outpost the CPM by the end of 2015.

(b) In Kenya, it was suggested that the organizational structure of the regional office in Nairobi should be better articulated, including its relationship to headquarters and country programmes, and the technical expertise to be housed there. These modifications were further advanced following the visit of the new Director of the East and Southern Africa Division and an advisor from the Human Resources Division to Nairobi in April 2012. Since June 2011, the following additional staff have joined the regional office: a country

programme officer; a staff member from the Environment and Climate Division and a financial intern. The recruitment of a regional finance officer is currently ongoing.

58. Evaluations have consistently confirmed the validity of country presence, stating that country offices have contributed to improved performance in country programme development, implementation support, partnership-building, policy dialogue, innovation and knowledge management. Further, country offices have contributed to more a timely identification of problems and improved communication/information flows with projects and partners.[13]

59. **Results measurement, monitoring and evaluation.** Only one recommendation related to M&E. The recommendation suggested that IOE should explore opportunities for supporting the efforts of the Planning Commission in India to establish an independent evaluation office. IOE has held numerous discussions with the Planning Commission and the Ministry of Finance. In fact, in early 2011, the Government of India established an independent evaluation office, and further discussions are ongoing on how IOE can support their activities and capabilities in the future.

60. **Human resources.** Four recommendations concerned human resource issues.

(a) In India, all country staff are now on IFAD contracts. This has enabled country office staff to be better mainstreamed into IFAD's workforce.

(b) At the corporate level, the feasibility study to assess human resources and the organizational structure recommended in the private-sector CLE could not be carried out since it did not receive the unqualified support of the Executive Board. However, other initiatives have effectively strengthened the capacity of staff to manage private-sector development. These include appointing a senior technical adviser on private-sector development, initiating the recruitment of a technical adviser on rural markets and enterprise development, and strengthening knowledge management through workshops.

61. **Supervision.** Five recommendations were focused on supervision-related issues. In the Niger, following a suggestion that technical assistance be provided through international agencies, regular technical assistance is now available to the projects. The CPE also suggested that supervision and implementation support could be further strengthened through participation of the Government and other partners. In response, supervision missions are now carried out jointly by IFAD, the Government, the World Bank, World Food Programme and other partners.

62. At the corporate level, over 90 per cent of the portfolio has been shifted to direct supervision as of 2012. This has already yielded benefits in terms of learning, enhanced implementation support, better follow-up and increased rigour in assessing and rating projects. There have also been concerted efforts in strengthening staff capacity. By the end of 2011, nearly all PMD staff and managers had attended the training programme on direct supervision and implementation support. Increasingly, country office staff are also attending the supervision training courses being conducted in Rome.

D. Non-lending activities

63. **Partnerships.** There were 26 recommendations on building and sustaining partnerships. In recent years, partnerships at the country level have been strengthened as a result of direct supervision and country presence.

(a) In Ethiopia, the evaluation suggested building on the experience of an institution with a track record in credit cooperative system development. In response, to close the institutional capacity gap of RUSACCOs, unions of RUSACCOs, facilitators, regulators and supervisors, adequate resources have

[13] EB 2011/102/R.10/ Rev.2, paragraph 30.

been earmarked under RUFIP II for institutional capacity-building. This includes initiating twinning arrangements and building strategic partnerships with international networks of financial cooperatives such as the World Council of Credit Unions and Rabobank, which have significant experiences in providing value-adding services to similar programmes.

(b) A number of partnerships have been forged in-country in India, including with governments at the central and state levels, the private sector, NGOs and research institutions. The details are presented in box 4.

Box 4
Building partnerships and country ownership in India

The CPE in India suggested building partnerships with national institutions and with the private sector.

The new COSOP contains an emphasis on the private sector: (i) a specific strategic objective on access to financial services and value chains is included; (ii) opportunities for innovation in the areas of value chains and information and communication technology will be identified; and (iii) a private-sector partnership with the Ratan Tata Trust is ongoing.

There is a focus on promoting linkages between ongoing loan-financed investment projects and research grants. The IFAD country office held an annual consultation meeting with all major grant partners in India in March 2012. Participants included the Food and Agriculture Organization of the United Nations (FAO), the World Agroforestry Centre, the International Livestock Research Institute, Bioversity International and a host of other research institutions. It was agreed that such consultations will be held regularly.

Partnerships have been forged with NGOs at the grass-roots level, and NGOs are now the main implementing partners in the two new IFAD-funded projects in the 2010-2012 PBAS cycle.

To promote country ownership, a convergence action plan to align all ongoing projects with the National Rural Livelihoods Mission is also being prepared following a high-level meeting between IFAD and the Ministry of Rural Development.

The CPE also recommended that state governments should be involved from the beginning of the design process to promote ownership. In response, both the new projects originated in home-grown concept notes and requests from the state governments (and state governments participate in all missions).

64. **Policy dialogue.** Three recommendations related to policy dialogue were issued.

(a) In Ethiopia, the evaluation noted that, in the long term, commercial bank lending to MFIs was crucial for the continued growth and expansion of the sector. Accordingly, the design of the RUFIP II steering mechanism provides an opportunity for IFAD to engage substantially in evidence-based policy dialogue. This will include a consultative process focused on innovative guarantee schemes to enhance commercial bank lending to MFIs and RUSACCOs.

(b) In Kenya, the evaluation noted that IFAD could support the Government in developing new (and refining existing) policies for livestock development, especially in arid and semi-arid areas. The formulation of the COSOP provides an entry point for this policy engagement. Specifically, under the COSOP, IFAD will support the formulation of polices for the dairy industry, for feed and fertilizer, and for horticulture. It will participate actively in policy dialogue with the Government and other donors especially with regard to arid and semi-arid land areas.

65. **Knowledge management.** Five recommendations emphasize an increased role for knowledge management in order to provide strategic support and advice.

(a) In Uganda, lessons from the Oilseed Subsector Platform (OSSUP) have been incorporated in the project design, where hub coordinators will be employed to ensure coordination at the regional level, in close collaboration with OSSUP. In response to an evaluation recommendation, IFAD has provided a grant to the SNV Netherlands Development Organisation to further support

OSSUP. This initiative will support the institutional and subsector knowledge management frameworks needed to promote the sustainable development of Uganda's vegetable oils subsector.

(b) Building on evaluation recommendations, the design of the PASK II in Mauritania has benefited from a rigorous knowledge management exercise. All previous studies carried out in the context of PASK together with studies relating to other projects funded by IFAD or other donors were used to inform the design of PASK II. For instance, the design document took into account the extensive analysis of livestock development opportunities in Mauritania undertaken under other design processes.

E. Cross-cutting themes

66. **Sustainability.** Of the ten evaluations reviewed in 2012, four dealt with issues related to sustainability.

(a) In Uganda, following the evaluation, the second phase of the Vegetable Oil Development Project has paid greater attention to ensuring that the Kalangala Oil Palm Growers Trust (KOPGT) obtains long-term financial sustainability by 2016. Two core business meetings have been held, with KOPGT staff and management, the project management unit and external consultants. A business plan and timetable for KOPGT self-sustainability have been developed. The Trust is currently preparing for its first dry-run audit in the second half of 2012. In addition, draft manuals on finance, credit and human resources have been developed, and will be piloted by the Trust for one year before being finalized.

(b) In Rwanda, PRICE has a strong focus on institutional sustainability. The following project features illustrate its efforts to promote institutional sustainability: (i) responsibility for project implementation lies with the existing single project implementation unit and the National Agricultural Export Board, avoiding the need to create a separate project coordination unit; (ii) the project provides both technical and management capacity-building and some financial resources to cooperatives; and (iii) it facilities the development of sustainable support services.

67. **Innovation.** Seven recommendations pertained to innovation this year.

(a) In Mauritania, action-research is being funded specifically to scout for innovations. The two action-research components are being carried out by the Rural Development Research Group (GRDR), a partner research institution, with the support of two IFAD grants. The research focuses on introducing and testing improved varieties, and on methods of poultry farming and vegetable production. Both the IFAD-funded projects – PASK II and the Value Chain Development Programme for Poverty Reduction – will internalize the findings of GRDR in their operations.

(b) An innovation being tested in the Dominican Republic is strengthening the economic relations between rural and touristic (mostly coastal) areas. One key strategic objective of the COSOP is to increase the human and social capital of rural communities and to develop small enterprise and employment opportunities for young women and men in the most dynamic sectors (tourism being a prominent sector).

68. **Replication and scaling up.** Three recommendations focused on replication and scaling up. In IFAD, scaling up is defined as "expanding, replicating, adapting and sustaining successful policies, programmes or projects in geographic space and over time to reach a greater number of rural poor".[14] Therefore, this is seen as crucial to IFAD's mandate of greatly increasing the impact achieved across the

[14] Guidelines for scaling up, COSOP Source Book.

portfolio over the next replenishment period. At the corporate level, the scaling-up agenda is at the centre of the dialogue on IFAD's evolution in the medium term. The guidelines for scaling up are also used as an integral part of formulating new COSOPs.

69. The evaluation suggested that this PRISMA should have a clear focus on partnerships with universities and research institutions to promote and scale up innovations. In response, under the new COSOP for the Niger, IFAD will form partnerships with universities, research institutions and other partners in order to identify local solutions that could be scaled up.

70. **COSOP.** This was a prominent focus area for the evaluations covered in this year's review. Thirteen recommendations, or 8 per cent, dealt with COSOP formulation, strategy or priority areas.

    (a) In India, as suggested, the new COSOP contains a specific focus on smallholder agriculture with special attention paid to rainfed areas. Further, given IFAD's success in conflict areas (as highlighted by the evaluation), the focus on such areas has been maintained.

    (b) In line with CPE suggestions, the COSOP in Kenya will focus on the poverty profile of the rural poor, carry out an institutional analysis and identify opportunities for partnerships. It will also define a narrower set of subsectors for commodity value-chain development, again following CPE suggestions.

    (c) In the Niger, the new COSOP is based on a broad participatory process, with inputs from the Government and technical and financial partners working in the region. In addition, local constraints and experiences from past projects have been taken into account in developing the COSOP and in the interactions with partners, including national and provincial governments.

71. **Strategy.** Sixteen, or 10 per cent, of the recommendations touched on strategic issues at the project or programme level. This typically involves coordination and planning of project or programme activities. For example, in the Dominican Republic, technical and financial services are being outsourced, and technical services are provided by a wide range of actors including farmer federations, local NGOs and the private sector. A partnership arrangement was also negotiated with two financial institutions that committed to cofinance viable business plans presented by organized farmers.

IV. Synthetic review of the recommendations made by evaluations reviewed during 2009-2012

72. As in previous PRISMA exercises, this PRISMA includes a review of the extent of compliance with evaluation recommendations over the last four years. This review covers 32 evaluations examined from 2009 to 2012 (see annex III for a complete list). This allows the report to provide a longer-term perspective and strengthens the learning loop. Compiling data over a four-year span also increases the sample and allows a greater measure of statistical validity to trends in terms of implementation status. The results presented, therefore, can be interpreted with a higher level of confidence.

73. The types of evaluations included in this section are presented below in table 6. Most evaluations have been at the project level (with completion evaluations comprising 34 per cent and interim evaluations comprising 25 per cent). A further 31 per cent are country-level evaluations. The corporate-level evaluations covered include the private-sector CLE, the CLE on innovation, and the Joint Evaluation of the Agriculture and Rural Development Policies and Operations in Africa of the African Development Bank and IFAD.

Table 6
Types of evaluations covered in PRISMA from 2009 to 2012

Evaluations	*2009*	*2010*	*2011*	*2012*	*Total (number)*	*Total (percentage)*
Interim	1	3	-	4	**8**	**25**
Completion	3	3	3	2	**11**	**34**
Country programme	1	4	2	3	**10**	**31**
Corporate-level	-	-	2	1	**3**	**9**
Total	**5**	**10**	**7**	**10**	**32**	**100**

A. Implementation status by implementing agencies

74. The extent of implementation classified by type of implementing agency (level) over the last four years is presented in table 7. As can be seen from the table, at the IFAD corporate level, 35 recommendations were fully followed up, and this represents 67 per cent of all the recommendations addressed to IFAD at the corporate level. The bottom rows present the total number of recommendations by implementation status and their respective shares (percentages) across the whole sample.

Table 7
Implementation status of recommendations by level, 2009-2012 PRISMA reviews

	Full follow-up		*Not yet due*		*Ongoing*		*Partial*		*Pending*		*Not applicable*		*Total*	
Level	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*
IFAD	35	67	-	-	1	2	10	19	3	6	3	6	**52**	**9**
Region	3	43	-	-	4	57	-	-	-	-	-	-	**7**	**1**
Country	278	74	6	2	65	17	11	3	2	1	15	4	**377**	**68**
Government	33	67	-	-	6	12	6	12	2	4	2	4	**49**	**9**
Project	37	56	9	14	6	9	10	15	-	-	4	6	**66**	**12**
Total (No.)	**386**	**-**	**15**	**-**	**82**		**37**		**7**		**24**		**551**	**100**
Total (%)		**70**		**3**		**15**		**7**		**1**		**4**		**100**

75. Over the last four years, about 70 per cent of the recommendations that IOE has addressed to Management and governments have been fully followed up. The response rates at the IFAD corporate, country and government levels are robust, with at least 65 per cent of the recommendations being fully complied with at the respective levels. The country level consistently receives the bulk of the recommendations since IFAD, in partnership with governments, is responsible for most project and programme design-related improvements at that level. Performance is also the highest at the country level, with 74 per cent of recommendations being fully implemented.

76. At the project level, the "full follow-up" rate is slightly lower, at 56 per cent. However, if the share of not-yet-due recommendations is excluded, this climbs to about 65 per cent. There are few recommendations at the regional level (only seven in the whole sample, of which three have been fully implemented and four are ongoing).

77. Over the longer term, the response to evaluations has been steadily improving. The longer-term full follow-up rates in the last four years have been 52 per cent in 2009, 61 per cent in 2010, 64 per cent in 2011 and 70 per cent in 2012.

78. Also, the number of pending recommendations has been consistently low. For the last four years, the corresponding share of pending recommendations has been 3 per cent or less.

79. Therefore, performance in terms of responding to evaluations has been vigorous: response rates remain high and are steadily improving. Annual results and trends are further reinforced by the four-year trends (implying that results across a smaller annual sample are also being reflected in the larger four-year sample), presenting a coherent picture of increased compliance.

80. Besides overall performance, three analytical issues are discussed below that either have been raised in recent PRISMA reviews or are contextually important at this juncture: government performance; recommendations that are not yet due or pending; and partnership with the private sector.

B. Government performance

81. As noted during the last session of the Evaluation Committee,[15] the long-term performance of government authorities has been consistently improving. The following paragraphs provide a brief description and examples of some of the measures taken towards achieving this improvement.

82. For the respective four-year periods covered in the PRISMA reviews, the full follow-up rate has increased consistently. In the four-year review in 2009, the full follow-up rate was 46 per cent. The corresponding figures in 2010, 2011 and 2012 were 51, 61 and 67 per cent. In the same four-year analyses, the share of pending recommendations has consistently declined: from 16 per cent in 2009, to 6, 5 and 4 per cent in 2010-2012.

83. While compliance (or non-compliance) to any given recommendation may have specific reasons, the broad trend implies that IFAD-funded projects and programmes are experiencing increasing country ownership. Governments, both at the central and provincial (or state) levels, are increasingly involved in project design, management and supervision. Country ownership has also been improved through other reinforcing measures: strengthened direct supervision and implementation support over the last few years (firmly institutionalized and covering almost the entire portfolio since 2010) and increased country presence that enhances IFAD's visibility and engagement at the country level.

84. Various examples of enhanced country ownership can be given. In India, both new projects originated as a result of state government requests and concept notes. They are also being implemented by the state government administrations and aligned with the development programmes of the national government. In the Niger, IFAD is participating in a joint programme that serves as a coordination mechanism between United Nations agencies and the Government. IFAD-funded operations are also fully integrated in the government food production and food security programme. In Belize, in response to the CE (2009), the Government participates extensively in the oversight committee of the Rural Finance Programme. It is a co-owner of the programme, which is implemented by the private sector through credit unions. In sum, governments participate more intensively in the different stages of the project and programme cycle across the portfolio, enabling more vigorous follow-up to the relevant ACP recommendations.

C. Recommendations that are not yet due or pending

85. The issue of not-yet-due or pending recommendations was touched upon in the comments made by IOE on previous editions of the PRISMA.[16] To respond to this, in the last two years, a project or country programme evaluation for which a subsequent design (or in the case of CPEs and CLEs, a subsequent country

[15] Minutes of the sixty-eighth session of the Evaluation Committee (EC 2011/ 69/ W.P.2/ Rev.1).
[16] Such as in IOE comments included in annex I of the 2011 PRISMA (EB 2011/103/ R.7).

programme or policy) has not been developed substantially is dropped from the PRISMA review and included in the following year. This ensures that the number of recommendations that are not yet due is kept to a minimum, since all responding projects and programmes will have started some design or development.

86. All the not-yet-due recommendations from table 7 and covered in the last four years are from the Burkina Faso IE (PRISMA 2009). This IE yielded 15 recommendations that were classified as not yet due since a number of these concerned a next-stage project that had not been designed at the time of the review.[17] In fact, in the last three editions of the PRISMA (2010-2012), no recommendation has been classified as not yet due. In the last three years, the PRISMA process has allowed subsequent projects or programmes adequate time for follow-up. This has therefore yielded benefits in terms of meaningful follow-up action being reported.

87. The pending recommendations, comprising only 1 per cent, include three recommendations covered in the joint evaluation with the African Development Bank (PRISMA 2011). As stated in its response to the 2011 ARRI, Management considered that global memorandums of understanding had little impact. Instead, the focus will be on developing jointly funded programmes at the country level, keeping in mind the priorities of borrowing Member States.

88. Though the trend of not-yet-due or pending recommendations is declining, the historical not-yet-due recommendations will be followed up with in the next PRISMA review. In cases where a pending recommendation has seen follow-up action since the time of the relevant PRISMA, this will also be reported on. PMD proposes to follow up on the implementation of all not-yet-due or pending recommendations from 2008 onwards in the 2013 PRISMA review. Therefore, for the 2013 review, this will cover the last six years (recommendations from seven or eight years ago will anyway have been overtaken by events and probably concern actions in entirely different project/programme cycles). This process will be continued after an interval of three to four years to update status and learn lessons over a longer cycle.

D. Partnership with private sector

89. This section provides a somewhat detailed overview of recommendations related to the private sector over the last four PRISMA reviews. In terms of follow-up, the response to all such recommendations has been high. Most (18) have been addressed to the country level. Their emphasis has been on promoting the focus on value chains in country programmes and on ensuring that poor rural people and producer organizations have access to value chains. The eight recommendations addressed to governments focus on the need to increase the government's role in value chain development, and sometimes on regulatory issues. The five recommendations addressed to IFAD at the corporate level all emerge from the private-sector CLE. Detailed responses to some of these recommendations are provided below, first for the private-sector CLE and then for some crucial recommendations at the project and country programme level.

[17] In addition, in 2010, the IE for the Uplands Food Security Project in North Korea yielded a large number of not-yet-due recommendations. This project has since been dropped from the PRISMA database: no project was planned for the 2010-2012 PBAS cycle and, therefore, PMD had no instrument to provide an adequate response. Further, IFAD does not foresee any engagement with the country in the 2013-2015 PBAS cycle. It is therefore not possible to respond to recommendations. Similarly, recommendations in the Romania CE for the Apuseni Development Project were dropped in the year of the review (2009) since IFAD had no further engagement with the country.

Table 8
Implementation status of private-sector-related evaluation recommendations, PRISMA 2009-2012

Level	*Full follow-up*	*Not yet due*	*Ongoing*	*Partial*	*Pending*	*Not applicable*	*Total (number)*
IFAD corporate level	3	-	1	-	-	1	**5**
IFAD regional level	-	-	-	-	-	-	**-**
IFAD country/government	14	-	4	-	-	-	**18**
Government authorities and institutions	7	-	-	-	1	-	**8**
Project	1	-	-	-	-	-	**1**
Total (number)	**25**	**-**	**5**	**-**	**1**	**1**	**32**
Total (percentage)	**78**	**-**	**16**	**-**	**3**	**3**	**100**

90. Overall, 25 of the 32 recommendations, or 78 per cent, have been fully followed up. Another five recommendations were classified as ongoing and had initiated actions in line with the recommendations. One recommendation was deemed not applicable: the one, mentioned earlier, concerning the establishment of a private-sector financing facility at the corporate level, which did not meet the unanimous approval of the Board. Only one recommendation is pending: this was a recommendation to a government to enhance integration (horizontal and vertical) across value chains. But this requires immense resources and implementation capacities, which were not available to the government at the time of the review.

91. The private-sector strategy was approved in December 2011. In response to the evaluation, a comprehensive and participatory consultation process was used to develop the strategy. The preparation involved a large spectrum of both internal and external stakeholders, including an internal policy reference group composed of 18 staff members from 11 different divisions (to ensure different and thematic perspectives and in-house ownership). Also, consultations were held with other international financial institutions (including the African Development Bank, the International Finance Corporation and the World Bank), other United Nations agencies (including FAO, the World Food Programme, the United Nations Global Compact, the United Nations Development Programme), bilateral organizations (Agence Française de Développement, the United Kingdom's Department for International Development, the United States Agency for International Development), farmers' organizations, NGOs and civil society representatives (Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance, Oxfam, TechnoServe) and private-sector companies (Altima Partners, Coca-Cola, Société Générale, Unilever).

92. The strategy is coherent in terms of defining the private sector (corporate private sector, as stated earlier) and IFAD's role in this engagement, clearly stating that IFAD will form partnerships with private companies to build mutually beneficial relationships between small-scale producers and large enterprises. IFAD will play the specific role of being a facilitator and honest broker in value chains.

93. The strategy also focuses on how existing instruments could be strengthened to engage with the private sector. COSOPs will be used for more systematic engagement with the private sector. There will be increased use of IFAD-funded projects as a tool to engage with the private sector, and successful project experiences will be replicated and scaled up. There will also be increased use of grant resources and supplementary funds to strengthen the relationship between the private sector and poor rural women and men.

94. Partnerships will play a crucial role in achieving global impact. The strategy outlines how IFAD can pursue partnerships. This includes linking to other knowledge forums such as United Nations Global Compact and the Donor Committee for Enterprise

Development. Through the projects it has financed, IFAD has also contributed to multi-donor funds such as the Africa Enterprise Challenge Fund, a US$50-100 million fund. IFAD has not contributed financially to the African Agriculture Fund, a US$300 million fund seeking to invest in commercial farming operations, but sits as a permanent observer on its advisory board. In addition, IFAD raised 10 million euros from the European Union for complementary technical assistance to targeted investments. The technical assistance will focus on three areas: creating outgrower schemes; improving the business operations of small and medium-sized enterprises (SMEs); and promoting pro-poor financial services.

95. In terms of the projects covered in the PRISMA reviews, some projects have responded with carefully designed strategies to increase production from small farmers, to ensure that needed services are provided to the target population and to make certain that linkages are in place to absorb the products. This includes the integrated value chain development approach used in Nigeria (box 5).

Box 5
Integrating smallholders into value chains in Nigeria

In Nigeria, following the CPE (covered in the 2010 PRISMA), the country programme has moved towards mainstreaming value chains in IFAD-funded programmes using the Roots and Tubers Expansion Programme (RTEP) and the IFAD/FAO joint project (the rapid response project to address rising food prices) as models. The two interventions have promoted (and internalized) outgrower-processor linkages to ensure a sustainable supply of raw materials from small farmers (outgrowers) to identified markets (processors).

In these projects (and in the Community-based Agricultural and Rural Development Programme), two levels of outgrowers have been supported: (i) outgrowers for the production of high-quality seeds/planting materials; and (ii) outgrowers for the production and supply of raw materials to processors. The two categories of outgrowers are further linked to agri-input suppliers, financial institutions and agrichemical handlers to leverage timely yield-enhancing agrochemicals, commercial credit and extension services respectively from private-sector operators.

In addition, two levels of market linkages are used, namely: (i) linkage to major processors that exert a big pull at the supply side (farmers' end) and (ii) linkage to small processors that are clustered around farmers for immediate and timely uptake of farm produce from small farmers.

96. A number of projects have worked towards ensuring that small producers and their organizations have meaningful and profitable access to value chains and markets.

(a) In the Niger, the new project, the Food Security and Development Support Project in the Maradi Region, focuses on the access of farmers' organizations to the main rural markets.

(b) In a number of projects reviewed in the PRISMA, the focus is on increasing SME capacities. In the Mozambique country programme (PRISMA 2011), for instance, there is a clear focus on developing SMEs, smallholders' organizations and agribusinesses.

97. At IFAD, the employment potential of value chains is also being carefully considered. Increasing production through enterprises could have positive implications for poor rural men and women not only as producers or suppliers but also as employees. In a survey of young people interviewed from five IFAD-funded projects that employed value chains, 45 per cent acknowledged an improved employment situation.[18]

(a) In Madagascar, in response to the CE of the Upper Mandrare Basin Development Project (PRISMA 2010), it was reported that the new Support Programme for Rural Microenterprise Poles and Regional Economies focused on a few value chains based on regional potential. Surveyed young people who participated in the programme reported an improvement in their

[18] Promoting Decent and Productive Employment of Young People in Rural Areas, IFAD/ International Labour Organization, 2012.

employment situation, professional skills and income (100 per cent of those surveyed) as well as an improvement in working conditions and social protection (58 per cent).

(b) The Brazil country programme (CPE covered in PRISMA 2009) adopts off-farm employment and business opportunities as a COSOP strategic objective. This objective, oriented to both individuals and groups, calls for: (i) seeking local opportunities to develop business enterprises for the rural poor; (ii) investing in the development of an entrepreneurial culture and managerial capacity at the individual and community levels; (iii) identifying employment opportunities, and technical qualifications/skills that are sought after on local markets; and (iv) developing special skills training programmes aimed at IFAD's target population.

98. Some IFAD-funded projects dealing with the private sector have already made a significant institutional impact in the country. Increasingly, IFAD partners are adopting a private-sector approach, and non-profit partners are being transformed into sustainable large private enterprises.

(a) In response to the evaluation of the Mountain Areas Development Programme in Albania (covered in PRISMA 2009), the Mountain Areas Finance Fund, an implementing partner, was converted from a foundation to a shareholding financial development company, initially with sole ownership by the Government, and with the entry of a strategic investor seen later in the process. The conversion was guided by a carefully structured and sequenced plan that included ensuring that all the relevant licences were obtained to operate as a non-banking financial institution. A business plan is also in place to guide the company in retaining and increasing its market share and long-term sustainability.

(b) The Kalangala Oil Palm Growers Trust in Uganda is also in the process of transformation. As the Trust changes from a non-profit to a for-profit entity, all legal, structural and business imperatives are being examined. A timeline for the self-sustainability of the Trust has been developed, and accounts have been restructured (and more accounts reopened) to ensure full cost recovery of services.

E. Implementation status across regions

99. The larger sample of recommendations from the last four years (covering PRISMAs from 2009 to 2012), classified by follow-up status across the regional divisions, is presented in table 9.

Table 9
Implementation status of recommendations by regional division, 2009-2012 PRISMAs

	Full follow-up		*Not yet due*		*Ongoing*		*Partial*		*Pending*		*Not applicable*		***Total***	
Division	*No.*	*%*	*No.*	*%*	*No.*	*%.*	*No.*	*%*	*No.*	*%*	*No.*	*%*	***No.***	***%***
WCA	62	60	15	14	19	18	4	4	-	-	4	4	**104**	**21**
ESA	84	73	-	-	25	22	4	3	2	2	-	-	**115**	**23**
APR	92	70	-	-	16	12	10	8	2	2	12	9	**132**	**26**
LAC	80	72	-	-	16	14	10	9	-	-	5	5	**111**	**22**
NEN	33	87	-	-	5	13	-	-	-	-	-	-	**38**	**8**
Total (No.)	**351**	**-**	**15**	**-**	**81**	**-**	**28**	**-**	**4**	**-**	**21**	**-**	**500**	**100**
Total (%)		**70**		**3**		**16**		**6**		**1**		**4**		**100**

Note: WCA = West and Central Africa Division; ESA = East and Southern Africa Division; APR = Asia and the Pacific Division; LAC = Latin America and the Caribbean Division; NEN = Near East, North Africa and Europe Division. The number of recommendations by level does not match the number by region, because evaluations addressed to the corporate level are not included in the regional classification.

100. All divisions have responded adequately to the recommendations, with full follow-up being 70 per cent or higher in the East and Southern Africa, Asia and the Pacific, Latin America and the Caribbean and the Near East and North Africa Divisions.

101. Only in the West and Central Africa Division is the response rate relatively lower, at 60 per cent. However, this is also due to the high number of not-yet-due recommendations (14 per cent). If such recommendations are excluded, the full follow-up rate increases to about 70 per cent, in line with the other divisions. As stated earlier, the not-yet-due recommendations will be re-examined in the next PRISMA.

102. To sum up, of the 500 recommendations tracked, only 1 per cent were pending. This validates the vigorous and consistent follow-up to evaluation recommendations across the regions.

V. Summary, conclusions and recommendations

A. Summary and conclusions

103. For the ten ACPs reviewed in 2012, 74 per cent of the recommendations were fully followed up. This signifies a consistent and improving performance over the last three years: the corresponding rates for the last four years were 54 per cent in 2008, 57 per cent in 2009, 72 per cent in 2010 and 71 per cent in 2011. There were no pending recommendations in this review cycle.

104. For the last four years (covering the 2009-2012 editions of the PRISMA), the full follow-up rate for the entire cohort was 70 per cent, and only 1 per cent of the recommendations were pending. This implies that the performance in terms of implementation of evaluation recommendations has been consistent over the last few years. Follow-up is also consistent across all regional divisions, with at least 70 per cent of the recommendations being fully followed up (not considering those not yet due) across all divisions.

105. Besides the continued strong performance at the different levels, the performance of partner governments has consistently improved. The full follow-up rate for the preceding four-year period has climbed from 46 per cent in 2009 to 51 per cent in 2010, 61 per cent in 2011 and 67 per cent in 2012. The broad trend can be explained mainly by greater country ownership and partly by increasingly relevant evaluation recommendations, and enhanced country presence and direct supervision and implementation support.

106. The not-yet-due and pending recommendations are in decline and only 4 per cent of these recommendations in the last four years were classified not yet due or pending. This improvement results both from increased responsiveness and from more rigour practised by PMD and IOE in selecting only project evaluations and CPEs that have been completed far enough in advance to allow adequate time for response. Therefore, in the future, this will probably not recur as a prominent issue. Nonetheless, PMD will review the not-yet-due or pending recommendations from 2008 onwards in next year's PRISMA.

107. The special focus on the private sector revealed that the response rate for recommendations related to the private sector is higher than the overall rate, with a full follow-up rate of 78 per cent over the last four years. The private-sector strategy, developed with intensive in-house participation and extensive consultations, coherently states IFAD's role and strategies in terms of strengthening instruments and leveraging partnerships to achieve greater impact.

B. Recommendations

108. Future editions of the PRISMA will focus increasingly on the higher-level evaluations – CPEs and CLEs. This is because, under the revised evaluation policy, stand-alone project evaluations are undertaken in the form of PCRVs and PPAs, where there are no mechanisms for ACPs. As a result, most critical recommendations related to project design and implementation will have to be

incorporated in the ACPs for the country programme evaluations, complemented duly by the strategic findings arising out of PCRV and PPA processes. This may require the ARRI to assume an even more important role in synthesizing and presenting recommendations.

109. In particular, the ARRI could also focus on summarizing some learning and emerging issues from the PCRV and PPA processes, and could include them in the section on ARRI recommendations. In this light, a closer consultation between IOE and PMD during the drafting phase of ARRI would be helpful in addressing key findings and emerging recommendations. Management could then respond to these recommendations by taking specific follow-up actions and reporting these in the subsequent editions of the PRISMA.

Comments of the Independent Office of Evaluation of IFAD on the 2012 PRISMA

General observations

1. This is the ninth PRISMA submitted by IFAD Management to the Evaluation Committee and the Executive Board for review. In accordance with the IFAD Evaluation Policy,[19] IOE hereby provides its comments on the report for consideration by the Committee and the Board.

2. The 2012 PRISMA is well prepared. IOE recognizes the report's efforts to address the comments IOE has made on previous editions of the document (see box 1). Moreover, it is encouraging to note that the percentage of fully implemented recommendations has steadily increased since 2008, reaching 74 per cent in 2012 (as highlighted in paragraph 25 of the document).

Specific comments

3. **Recommendations that are not yet due or pending**. IOE welcomes Management's decision to review the progress made in implementing recommendations in this category that are outstanding from past editions of the PRISMA. This is in line with the suggestions made by IOE in the last two PRISMAs. IOE also considers appropriate Management's proposal to follow up on the implementation of all not-yet-due or pending recommendations from 2008 onwards in the 2013 PRISMA.

4. **Corporate-level evaluations.** CLEs are the most strategic and far-reaching type of evaluations undertaken by IOE, and as such they make critical contributions to IFAD's institutional transformation and change processes. Recent CLEs have included evaluations on: the rural finance policy; the Field Presence Pilot Programme; IFAD's private-sector strategy; gender; innovation and scaling up; partnership with the African Development Bank (AfDB) on agriculture in Africa; and institutional efficiency (ongoing).

5. It is therefore recommended that future editions of the PRISMA include a dedicated section with a complete list of all recommendations emerging from CLEs and an account of how Management has acted on each recommendation. This would contribute to transparency and reassure the Board that the most significant independent evaluations have been followed up fully and in a timely manner. Once CLE recommendations have been satisfactorily implemented, they would be removed from the list.

6. **India CPE.** The PRISMA notes, in paragraph 57(a), that IFAD has agreed to outpost the CPM to New Delhi "by the end of 2015". As the CPE was undertaken in 2009, IOE believes that IFAD should make greater efforts to ensure that the CPM is outposted much earlier than 2015. This is especially important given the size of the IFAD India portfolio, the largest of any region both in terms of number of ongoing operations and the volume of loans. Moreover, both the Evaluation Committee and the Executive Board have previously requested that the CPM be outposted to India.

7. **Joint evaluation with AfDB on agriculture in Africa.** Several references are made to the follow-up on the recommendations of this critical evaluation concluded at the end of 2009 (for example, paragraphs 73, 87 and others). IOE would like to underline how important it is that IFAD pursue a more strategic and purposeful partnership with AfDB in Africa, both at the country and the corporate level. Such a partnership could be built on the comparative advantages and specializations of each agency, with, for example, AfDB taking the lead in developing infrastructure and IFAD focusing on small farm development. Among other issues, this is central

[19] See paragraphs 11 and 31(i) of the draft revised IFAD Evaluation Policy document (EC 2011/66/W.P.8).

to IFAD's scaling-up agenda, including its commitment to lift 80 million persons out of poverty during the Ninth Replenishment period. In this regard, IOE and the Operations Evaluation Department of AfDB will undertake a more thorough assessment in 2012 of the recommendations resulting from the joint evaluation, identifying not only areas where there has been progress, but also, looking ahead, those recommendations that merit greater attention by the respective managements.

8. **The ARRI.** Paragraph 109 suggests the need for the ARRI to focus on condensing learning issues from the PCRV and PPA processes. IOE agrees with this suggestion. In this regard, it is useful to recall that the 2011 ARRI did, in fact, include for the first time an account of the systematic issues identified by IOE (through the PCRV process) for strengthening the quality of future PCRs.

9. The 2012 ARRI will be the tenth edition, and will be discussed by the Evaluation Committee and Executive Board at their last sessions of the year. This ARRI will include a reflection on how the document has evolved since its first edition in 2003, and will make proposals for its restructuring as needed in the future, taking into account the ARRI's unique role in reporting and generating discussions on strategic issues related to IFAD's development effectiveness based on independent evaluations.

10. **Recommendations of the 2011 ARRI.** The Executive Board agreed with all four recommendations contained in the 2011 ARRI (paragraph 44 in the minutes of the 104th Board session held in December 2011, document EB/104/Rev.1): "Having endorsed the recommendations to IFAD's Management contained in paragraph 146, the Board received and welcomed Management's commitment to following up on these." IOE therefore invites Management to provide a full account of the efforts it has made to address all four recommendations, namely: (i) developing and applying coherent guidelines relating to the levels of counterpart funding from Member States; (ii) treating policy dialogue as the learning theme in the 2012 ARRI; (iii) developing incentives and an accountability framework for outposting staff; and (iv) reviewing the cooperation framework for partnership with the Asian Development Bank and AfDB. The PRISMA currently provides an overview (in paragraph 40) of the follow-up on only two of the four recommendations.

11. Moreover, IOE recommends that future PRISMA editions include a new section summarizing the Executive Board's main recommendations to IFAD Management, based on discussions related to independent evaluations in general, including the ARRI. This will make it easier for Board members to track their recommendations and policy priorities, and to assess the corresponding progress made by Management.

12. **Government response.** IOE welcomes the new section (paragraphs 81-84) added in the PRISMA on the government response to evaluation recommendations. It is reassuring to see an improvement (67 per cent in 2012) in the implementation of evaluation recommendation by governments. IOE encourages IFAD Management to continue following up with concerned governments in the future (e.g. during supervision missions, etc.) to ensure the full and timely implementation of all evaluation recommendations.

13. **Scaling up innovations.** Paragraph 69 recognizes the need for partnerships with universities and research institutions "to promote and scale up innovations". IOE supports the emphasis on scaling up of innovative approaches to small agriculture and rural development, but stresses that this should be done by other development actors (e.g. governments, multilateral/regional development banks, the private sector, etc.) that dispose of far greater resources than IFAD does to promote wider development impact at the grass-roots level. This requires, inter alia, that IFAD make more systematic efforts and investments in the future in non-lending activities (policy dialogue, partnership-building and knowledge management), given the fair amount of room there is for improvement in these areas.

Implementation status of evaluation recommendations by theme (2012 PRISMA)

(Percentage)

Theme	*Full*	*Not yet due*	*Ongoing*	*Partial*	*Pending*	*Not applicable*	*Total*
Analysis, studies, research	67	-	33	-	-	-	**100**
Beneficiary and stakeholder participation and consultation	83	-	17	-	-	-	**100**
COSOP	38	-	46	8	-	8	**100**
Project design and formulation	93	-	7	-	-	-	**100**
Decentralization	-	-		-	-	-	**100**
Policy dialogue	67	-	33	-	-	-	**100**
Country presence	40	-	60	-	-	-	**100**
Gender	100	-	-	-	-	-	**100**
Governance	-	-	-	-	-	-	**-**
Human resources	25	-	25	25	-	25	**100**
Infrastructure	50	-	-	-	-	50	**100**
Innovation	86	-	14	-	-	-	**100**
Knowledge management	80	-	20	-	-	-	**100**
Natural resource management	100	-	-	-	-	-	**100**
Organizations	100	-	-	-	-	-	**100**
Partnership	69	-	23	-	-	8	**100**
Project management and administration	100	-	-	-	-	-	**100**
Private sector, market and enterprise development	67	-	22	-	-	11	**100**
Rural finance	88	-	12	-	-	-	**100**
Results monitoring, evaluation	-	-	100	-	-	-	**100**
Replication and scaling up	67	-	33	-	-	-	**100**
Strategy	94	-	-	6	-	-	**100**
Supervision	80	-	-	20	-	-	**100**
Sustainability	100	-	-	-	-	-	**100**
Training, capacity-building	60	-	40	-	-	-	**100**
Targeting	88	-	12	-	-	-	**100**
Total	**74**	**-**	**20**	**2**	**-**	**4**	**100**

Evaluations covered in the 2009-2012 PRISMAs

A. Evaluations covered in the 2012 PRISMA

Interim evaluations:

1. Rwanda: Smallholder Cash and Export Crops Development Project
2. Ethiopia: Rural Financial Intermediation Programme (carried over from last year)
3. Mauritania: Poverty Reduction Project in Aftout South and Karakoro (carried over from last year)
4. Uganda: Vegetable Oil Development Project (carried over from last year)

Completion evaluations:

5. Dominican Republic: South Western Region Small Farmers Project – Phase II
6. Lao People's Democratic Republic: Oudomxai Community Initiatives Support Project

Country programme evaluations:

7. Kenya
8. India (carried over from last year)
9. Niger (carried over from last year)

Corporate-level evaluations:

10. Private-Sector Development and Partnership Strategy

B. Evaluations covered in the 2011 PRISMA

Completion evaluations:

1. Benin: Roots and Tubers Development Programme
2. China: West Guangxi Poverty Alleviation Project
3. Yemen: Raymah Area Development Project

Country programme evaluations:

4. Argentina
5. Mozambique

Corporate-level evaluations:

6. Joint Evaluation of the Agriculture and Rural Development Policies and Operations in Africa of the African Development Bank and IFAD
7. IFAD's capacity to promote pro-poor innovation and scaling up

C. Evaluations covered in the 2010 PRISMA

Interim evaluations:

1. Guatemala: Rural Development Programme for Las Verapaces
2. China: Qinling Mountain Area Poverty Alleviation Project
3. Philippines: Western Mindanao Community Initiatives Project (carried over from previous year)

Completion evaluations:

4. Argentina: Rural Development Project for the North-Eastern Provinces (PRODERNEA)
5. Madagascar Upper Mandrare Basin Development Project – Phase II
6. Ethiopia: Southern Region Cooperatives Development and Credit Project (carried over from previous year)

Country programme evaluations:

7. Nigeria
8. Sudan
9. Ethiopia (carried over from previous year)
10. Pakistan (carried over from previous year)

D. Evaluations covered in the 2009 PRISMA

Interim evaluations:

1. Burkina Faso: Community-Based Rural Development Project

Completion evaluations:

2. Albania: Mountain Areas Development Programme
3. Belize: Community-Initiated Agriculture and Resource Management
4. Pakistan: Dir Area Support Project

Country programme evaluations:

5. Brazil (carried over from previous year)