IFAD

Enabling poor rural people
to overcome poverty

Comments of the Independent Office of Evaluation on the Report on IFAD's Development Effectiveness

Evaluation Committee — Eighty-first Session
Rome, 27 November 2013

For: **Review**

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Executive Board — 110th Session
Rome, 10-12 December 2013

For: **Review**

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1. **Background.** In line with the Terms of Reference and Rules of Procedures of the Evaluation Committee and the decision taken by the Executive Board at its December session in 2006, this document contains the comments of the Independent Office of Evaluation (IOE) of IFAD on the Report on IFAD's Development Effectiveness (RIDE) for 2013. As per past practice, these comments will be considered by the Evaluation Committee in November 2013 and thereafter by the Executive Board in December 2013.

2. IOE commends IFAD Management for producing a useful and engaging report, which provides Management's perspectives on the organization's overall performance. In 2013, for the first time, the RIDE reports in a comprehensive manner on the Results Measurement Framework, which was approved as part of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9) at the thirty-fifth session of the Governing Council in 2012. As was the case for the 2012 RIDE, this year's edition contains the Annual Report on the IFAD Policy on Gender Equality and Women's Empowerment and IFAD's Approach to the Implementation of the Istanbul Programme of Action for the Least Developed Countries as annexes.

3. IOE recognizes that the limitation on length set for all documents presented to IFAD governing bodies constrains what can be included in the main body of the RIDE. Below, IOE provides recommendations how this limitation could be addressed in future editions of the RIDE.

4. **Review of IOE comments on past reports**. In 2012, IOE noted that some of the recommendations made on previous issues of the RIDE had not been fully addressed, in particular:

    • further disaggregation of reported results into the categories of "moderately satisfactory", "satisfactory", and "highly satisfactory";

    • analysis of the performance across different geographic regions and application of different parameters such as project thematic area or year of approval;

    • assessment of progress vis-à-vis non-lending activities, such as knowledge management, partnership building and policy dialogue at the country level, given their growing importance in IFAD-supported country programmes; and

    • inclusion of a box at the beginning of the report, summarizing IOE's main comments on the previous edition and describing how these have been addressed to promote learning and accountability.

5. IOE finds that the recommendations listed above have not been internalized in the main text of the 2013 RIDE, with the partial exception of the recommendation for non-lending activities. Part of the reason may be the limitation on document length that has been introduced, combined with the attention dedicated to reporting on the Results Measurement Framework. Nonetheless, a brief explanation of follow-up or lack thereof with regard to the 2012 IOE comments and recommendations would have been valuable. Moreover, further disaggregation of the findings could have been provided in an annex.

6. **Fragile states.** The 2013 RIDE presents a useful disaggregated analysis of the performance of IFAD's operations in fragile and non-fragile states. The analysis highlights the difference between performance ratings for projects in fragile states and those in non-fragile states in all key performance areas, particularly project efficiency. Interestingly, the RIDE shows a wide range of ratings for government performance. Between 2010 and 2013 for example, in non-fragile states

government performance was rated moderately satisfactory and above in
81 per cent of projects, while government performance achieved this rating in only
54 per cent of projects in fragile states. This points to a need by the concerned
governments for greater support in project implementation. Similar results have
been presented in the 2013 ARRI. These data will provide a useful point of
departure for the IOE corporate-level evaluation of IFAD's performance in fragile
states.

7. **Reporting on the Results Measurement Framework.** The RIDE presents a
concise report on the IFAD9 commitment matrix and the Results Measurement
Framework 2013-2015, which is on the whole useful and informative. However,
table 2 (Level 2 of the Results Measurement Framework 2013-2015) requires more
explanation. For instance, the baseline years and values shown in this table differ
from those appearing in the Results Measurement Framework approved by the
Governing Council in February 2012 (in the latter case the baseline was set at the
year 2010). These differences would need to be explained and justified.

8. Also with regard to table 2, it is not clear whether the results for the period 2006-
2009 refer to projects that were completed in that period or to project completion
reports reviewed in that period (there is often a gap of one or two years between
project completion and review of the completion report by the Programme
Management Department (PMD) which may affect the correct classification of the
cohorts). In line with changes introduced in this year's ARRI – which followed from
useful comments by Management on earlier editions of the report – it would be
helpful if the data could be presented by year of project completion (if this is not
already the case) and if the number of projects rated in each period could be
reported.

9. Clarity on exactly what is being reported is important, not least in cases where the
results appear to differ from those reported to the Board in other documents. In
the case of sustainability, for example, the draft RIDE reports that good progress
has been made since the 2006-2009 cohorts (paragraph 10). However, the trend
as reported in the ARRI by year of project completion (annex VI) is different. In
addition, data generated by IOE's validation of project completion reports reveal
that a significantly lower percentage of projects were rated moderately satisfactory
or better for sustainability for projects completed in 2009-2011 than in either
2008-2010 or 2007-2009.

10. **Country programme management.** Regarding country programmes rated during
the implementation phase (table 5), results indicate that performance in achieving
poverty reduction objectives and engaging in policy dialogue has improved. There
appears to be a slight decline in adherence to the aid effectiveness agenda
compared to the 2011 baseline. For partnership building, the baseline year is set as
2013 and progress will be monitored in the forthcoming years. The above results
are generally encouraging although it would be important to provide more
contextual and qualitative information on non-lending activities (e.g. identifying the
main constraints and explaining how IFAD intends to respond to them). For
example, in October 2013, IFAD organized a workshop on policy dialogue that
yielded some key lessons and outcomes that could have been distilled for the RIDE.
No indicator in the Results Measurement Framework is specifically dedicated to
knowledge management but the topic could be discussed by drawing from concrete
country programme experiences and highlighting achievements and limitations.

11. **Portfolio management.** Performance appears to be generally solid across the
indicators considered and generally close to the target established for 2015
(table 7). The only exception is the "proactivity index", which measures the
percentage of problem projects for which corrective action has been taken. The
index is reported at 46 for 2013 against a target of 75 for 2015.

12. **Project monitoring and evaluation.** According to the information presented, the cumulative percentage of projects that have conducted a baseline survey is now at 64 per cent against 23 per cent in 2011 and surpasses the target of 40 per cent for 2015 (table 8). This is probably the effect of high compliance rates for the recent project cohorts, combined with the exit of older projects from IFAD's investment portfolio. IOE commends this improvement and hopes that the quality of these surveys will keep pace with quantity and will help the Fund better assess its impact on the ground.

13. **Including performance indicators for grants.** The report mentions some grant-funded activities, particularly in annex II (Annual Report of IFAD Policy on Gender Equality and Women's Empowerment). However, as has been the case in previous RIDE editions, no systematic assessment of performance on grant-funded activities is provided. It is to be noted that, since 2007, IFAD's regional divisions have produced a grant status report for larger grants (defined as grants above US$200,000 in the period 2007-2009 and above US$500,000 since 2010). These grant status reports provide synthetic and standardized indicators of performance and there is now a reporting sequence of sufficient length to extrapolate trends. So far, no comprehensive annual reporting on grants has been presented to the Executive Board and the RIDE has an opportunity to lead such a change. IOE recommends that the grant status report indicators be presented starting from the 2014 RIDE.

14. **Recommendation for the future structure of the RIDE.** IOE acknowledges that the RIDE has to follow the same length limitations that apply to all governing body documents. In the 2013 RIDE, these limitations may have constrained the presentation of a full set of evidence and analysis. In addition, this limitation has made it difficult to follow past recommendations made by IOE on the disaggregation of results. Finally, while it is important for IFAD to start presenting indicators for performance of grants, the question is how this could be done within the permitted document size.

15. Following the example of other reports, in the future, the main document of the RIDE could be configured as a short (seven-page) executive summary. The main analysis and conclusions could be presented as the first annex (approximately 30 pages) and include, as recommended by IOE: (i) further disaggregation of results by rating category ("moderately satisfactory", "satisfactory", and "highly satisfactory"); (ii) geographic and thematic disaggregation; (iii) an enhanced discussion of non-lending activities; and (iv) analysis of performance indicators for grants as per grant status reports. Other supporting data and information could be presented in further annexes.