IFAD

Investing in rural people

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

Volume I

Evaluation Committee – Eighty-fourth Session
Rome, 2 July 2014

For: **Review**

Document:	EB 2014/112/R.
Agenda:	
Date:	
Distribution:	Public
Original:	English

E

IFAD

Investing in rural people

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

Volume I

Note to Executive Board representatives

Focal points:

Technical questions:

Shyam Khadka
Senior Portfolio Manager
Programme Management Department
tel.: +39 06 5459 2388
e-mail: s.khadka@ifad.org

Kaushik Barua
Portfolio Officer
tel.: +39 06 5459 2697
e-mail: k.barua@ifad.org

Queries relating to the comments of the
Independent Office of Evaluation of IFAD on this
report should be addressed to:
Kees Tuinenburg
Officer-in-Charge
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: k.tuinenburg@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

Executive Board – 112th Session
Rome, 17 – 18 September 2014

For: **Review**

Contents

Abbreviations and acronyms

ACP	agreement at completion point
ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
CPE	country programme evaluation
CLEE	corporate-level evaluation on IFAD's institutional efficiency and efficiency of IFAD-funded operations
COSOP	country strategic opportunities programme
FCS	fragile and/or conflict-affected states
HR	human resources
ICT	information and communication technology
IOE	Independent Office of Evaluation of IFAD
MIC	middle-income country
PMD	Programme Management Department
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions

Executive summary

1. This eleventh edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) reviews the follow-up actions taken on the recommendations made by the Independent Office of Evaluation of IFAD (IOE) in five evaluations completed in 2012 and 2013. About 62 per cent of the recommendations were fully followed up and 31 per cent were ongoing. Only 2 per cent of all the recommendations were pending. This is consistent with the strong follow-up seen in previous years, with 2 per cent or less pending every year since 2011.

2. With regard to the follow-up to the corporate-level evaluation on IFAD's efficiency, although the related Action Plan was only submitted to the Evaluation Committee in September 2013, significant progress has already been made. This includes improved processes and policies related to staff management and recognition, improved management information systems enabling more rigorous supervision and management of the portfolio, and improved programme management through updated guidelines such as the IFAD Country Presence Strategy (2014-2015) and the forthcoming guidelines for designing country programmes. A large number of actions involve long-term system and process restructuring and will continue until around end-2015; these form the bulk of actions classified as ongoing this year. Importantly, almost all the actions are well on track.

3. With this year's implementation status included, about 84 per cent of all of IOE's recommendations in the past five years have been fully followed up.

4. This year's PRISMA also involved, for the first time, a second-round tracking of evaluations that were already covered in previous editions of the PRISMA but not fully followed up. A total of 138 such recommendations from 27 evaluations reported in PRISMAs from 2008 to 2012 were identified. Some 67 per cent of these recommendations have now been fully followed up. This exercise is expected to bring about a further improvement in the long-term response rates.

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

I. Introduction and methodology

1. This eleventh President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) responds to five evaluations completed in 2012 and 2013.

2. The PRISMA forms a crucial element in the evaluation process: responding to the recommendations emerging from evaluations conducted by the Independent Office of Evaluation of IFAD (IOE). For country programme evaluations (CPEs), these are extracted from agreements at completion point (ACPs) finalized at the end of the evaluation. For corporate-level evaluations (CLEs), these are outlined in management responses or action plans submitted to the Executive Board following evaluations. The PRISMA, therefore, is a key accountability tool, detailing institutional and country-level response and commitment to evaluation findings. It also serves a learning purpose, feeding evaluation recommendations into programme design and implementation.

3. This year's PRISMA differs from previous ones in two key ways:

    (a) It no longer covers project-level evaluations. In keeping with the Revised Evaluation Policy,[1] IOE has ceased conducting project-level evaluations, and therefore the last few in the IOE workplan were covered in PRISMA 2013.

    (b) It includes, for the first time, a second-round follow-up of all recommendations not fully followed up in the PRISMAs submitted to the Executive Board from 2008 to 2012. This is in line with IOE's comments, and includes all recommendations that were ongoing, being partially implemented, not yet due or not applicable at the time of reporting.

4. Volume I of this report provides a synthesis of the follow-up actions taken at the corporate or programme level. Volume II presents the individual responses to all recommendations covered. Comments from IOE are provided in annex I.

5. The five evaluations covered in this PRISMA were selected in consultation with IOE and are:

    (a) The CLE on IFAD's institutional efficiency and efficiency of IFAD-funded operations (CLEE); and

    (b) CPEs for Madagascar, Mali, Nepal and Uganda.[2]

6. In terms of process, after the evaluations are selected, recommendations are extracted, listed and classified for follow-up. The list is prepared by the Programme Management Department (PMD) Front Office and reviewed by IOE. The classification criteria used are explained below.

7. **Level.** This refers to the entity targeted by the recommendation and therefore primarily responsible for implementation. Recommendations are assigned one of the following five levels:

    • 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.

---

[1] Document EB 2011/102/R.7/Rev.2.
[2] Madagascar, Mali and Nepal were included in the 2013 Annual Report on Results and Impact of IFAD Operations (ARRI), and Uganda in ARRI 2012. The ACPs for Jordan (ARRI 2012), Ecuador and Indonesia (ARRI 2013) were not available and will be covered in PRISMA 2014.

8. **Nature.** As per the revised evaluation policy, recommendations are placed in one of the following categories:

    - **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.

9. **Theme.** The recommendations are also classified into 28 thematic areas spread across six broad categories: targeting and gender; technical areas; project management; non-lending activities; cross-cutting themes; and, for the first time this year, corporate issues, mainly information and communication technology (ICT) and human resources (HR) issues emerging from the CLEE.

10. Once the country teams (and relevant cross-departmental resource people for the CLEE) respond with the latest status, the degree of compliance is assessed using the following criteria:

    - **Full follow-up:** recommendations fully incorporated into the new phase/design of activities, operations or programmes;

    - **Ongoing:** actions initiated in the direction recommended in the ACP;

    - **Partial:** recommendations followed up partially, with actions consistent with the rationale of the ACP;

    - **Not yet due:** recommendations that will be incorporated into projects, country programmes or country strategic opportunities programmes (COSOPs) still to be designed and completed;

    - **Not applicable:** recommendations that have not been complied with because of changing circumstances in the country development context or in IFAD's corporate governance context, or for other reasons;

    - **Pending:** recommendations that could not be followed up; and

    - **Not agreed upon:** as per the ACP process, recommendations that were not agreed upon by PMD or the respective government.

II. Implementation status of the recommendations

A. Evaluation coverage and contents

11. **Regional distribution.** Four CPEs are covered in this year's PRISMA: Madagascar and Uganda from Eastern and Southern Africa; Mali from West and Central Africa; and Nepal from the Asia and Pacific region. The reduction in the number of evaluations covered in the PRISMA due to the elimination of project-level evaluations may result in all regions not being covered in a single year.

12. **Number of recommendations from each evaluation.** In terms of the number of evaluations emerging from each evaluation, 50 recommendations were derived from the CLEE this year. These were the action points presented to the Board in the IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency.[3]

13. From the four CPEs, there were 59 recommendations, or about 15 per evaluation. This is in line with the decreasing number of recommendations in recent years, with about 17-19 recommendations per evaluation over the 2010-2013 period. It also signifies that recommendations continue to be focused and strategic in nature.

14. **Level assigned for follow-up.** Responsibility for follow-up is split between the IFAD corporate and country level (table 1). All 50 CLEE recommendations are to be followed up at the corporate level.

15. With regard to the CPEs, the vast majority of recommendations (50 out of 59) are assigned to country teams, in coordination with relevant government authorities. This is appropriate given that capacity is increasing at the country level with enhanced country presence and outposted professional staff.

---

[3] Documents EB 2013/109/R.12.

Table 1
Number of recommendations in PRISMA 2014 by type of evaluation and level

	CPE	*CLE*	*Total (number)*	*Total (percentage)*
IFAD corporate level		50	50	46
IFAD regional level	2		2	2
IFAD country/government	50		50	46
Government authorities and institutions	1		1	1
Project	6		6	6
Total (number)	**59**	**50**	**109**	**100**
Total (percentage)	**54**	**46**	**100**	

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

16. **Nature of recommendations.** About 20 per cent of the recommendations from the Action Plan were to be implemented at the policy level, and 50 per cent outlined actions at a strategic level (table 2). In-country, this included targeting at the national level, integration of grants into programmes, and collaboration with development partners and the private sector. Overall, the share of operational recommendations (29 per cent) is in line with previous years (about 35 per cent in 2012 and 2013), since the slight decline is due to the high-level response needed for the CLEE.

Table 2
Distribution of evaluation recommendations by level and nature

	Operational	*Strategic*	*Policy*	*Total (number)*
IFAD corporate level	8	20	22	**50**
IFAD regional level	2			**2**
IFAD country/government	15	35		**50**
Government authorities and institutions	1			**1**
Project	6			**6**
Total (number)	**32**	**55**	**22**	**109**
Total (percentage)	**29**	**50**	**20**	**100**

B.   Implementation status: extent of compliance

17. Table 3 summarizes the extent to which the 109 recommendations included in this PRISMA have been followed up.

Table 3
Implementation status of evaluation recommendations

Level	*Full follow-up*	*Ongoing*	*Partial*	*Not yet due*	*Not applicable*	*Pending*	*Not agreed*	*Total (number)*
IFAD corporate level	23	27						50
IFAD regional level		2						2
IFAD country/government	41	3	2	2		1	1	50
Government authorities and institutions						1		1
Project	4	2						6
Total (number)	**68**	**34**	**2**	**2**		**2**	**1**	**109**
Total (percentage)	**62**	**31**	**2**	**2**		**2**	**1**	**100**

18. Almost all of the recommendations have seen significant follow-up: 62 per cent are fully implemented and only 2 per cent are still pending. Roughly half of the recommendations from the CLEE (26 out of 50) are still ongoing. These, in fact, all relate to long-term actions involving system and process restructuring, for which the timelines committed to in the Action Plan are mostly end-2015.[4] The Action Plan itself was only submitted to the Evaluation Committee in September 2013, and consequently this PRISMA can provide just an initial update and an opportunity for early review. All agreed actions with a timeline of end-2013 have now been fully implemented.[5]

19. With regard to the CPEs, 45 of the 59 recommendations, or about 76 per cent, have been fully followed up. This is in line with performance in recent years, with over 70 per cent fully followed up each year since 2011.

20. Over the last five years, considering all recommendations contained in PRISMAs 2010-2014, about 84 per cent have been fully implemented. Full follow-up across all regional divisions is 89 per cent, signifying rigorous actions taken across all country teams[6] (see annex II, tables A and B, for details). This high response rate is also the result of a large number of recommendations being followed up for a second time during this cycle, and many of those not fully followed up initially have now been complied with in full. This is a marked improvement over 2011-2013, when the corresponding figure was between 70 and 75 per cent.

21. **Recommendations fully followed up.** As an example of recommendations fully followed up, the CLEE recommended revising the quality enhancement (QE) process. Accordingly, this process has been reformed, allowing technical experts and the Policy and Technical Advisory Division (PTA) to contribute more effectively to the quality of projects. As a result, the bulk of PTA's engagement has been shifted from the QE review towards greater participation in the country programme management team. This has ensured that PTA has moved away from a compliance-based role to a quality-enhancement role. (Box 1 gives another example of a fully implemented recommendation.)

Box 1: Defining clear objectives for policy dialogue in Uganda

The evaluation in Uganda recommended defining objectives for policy dialogue in the country strategic opportunities programme. As a result, IFAD and the Government of Uganda identified various priority areas in the COSOP for 2013-2018, and outlined specific and realistic objectives for each area. The areas include: (i) reforming the National Agricultural Advisory Services to enable a more effective provision of agribusiness advisory services; (ii) developing the regulatory framework for tier IV financial institutions (including the savings and credit cooperative organizations – SACCOs); (iii) developing a new microfinance policy and strategic framework; (iv) establishing a sustainable institutional framework for oil palm growers' associations; and (v) supporting a sustainable SACCO apex organization. IFAD will play a lead role in each area, in collaboration with other development partners.
---

22. **Ongoing recommendations being followed up.** About 31 per cent of the recommendations are currently under implementation, and most entail long-term processes. With regard to revised guidelines for project supervision pursuant to the CLEE, draft guidelines have already been prepared and circulated internally for comments, and will soon be issued.

23. **Recommendations partially followed up.** Two recommendations were partially followed up, and significant actions were taken as per the ACP. For example, in Nepal, in response to suggested evaluation techniques, two projects have already implemented outcome surveys but a second methodology, opinion polling, has yet to be tested.

24. **Recommendations that are not yet due.** This involves two recommendations in Mali, which were specific to elements in the COSOP design; however, the design

---
[4] Annex in EC 2013/78/W.P.5.
[5] This includes items 14, 28, 38, 44 and 47 in the Action Plan, all of which have been completed.
[6] The regional response rate does not include recommendations addressed at the corporate level.

process has not yet been initiated and these recommendations will be addressed in 2015.

25. **Recommendations that are pending.** Only two recommendations, or about 2 per cent, are pending. This is in line with previous years, with less than 2 per cent pending annually since 2011.

26. **Recommendations not agreed upon.** In Mali, given the conflict in the northern region, the evaluation suggested termination of the projects. However, the country team, in consultation with the Government, decided not to follow this recommendation. While a conflict situation could affect efficiency, it was decided that IFAD should continue supporting the vulnerable population in a difficult context.

C. Implementation status by key themes

27. In addition to presenting the follow-up status for accountability, the PRISMA process also enables Management and country teams to undertake a learning exercise. Classifying recommendations by theme assists PMD in understanding emerging trends and areas that need sharper focus. Recommendations are classified, as stated, into 28 thematic areas within six broad blocks. The findings are summarized in table 4 and details are presented in annex III.

Table 4
Evaluation recommendations by theme

Thematic area	Total	Percentage
Targeting and gender	13	12
Technical areas (natural resource management, private sector, etc.)	12	11
Project management (monitoring and evaluation, etc.)	28	26
Non-lending activities (partnership, dialogue)	10	9
Cross-cutting themes (efficiency, sustainability, COSOP, etc.)	25	23
Corporate issues (ICT, HR)	21	19
Total	**109**	**100**

28. The next section outlines the actions taken in response to the CLEE, focusing on three of the most common themes found in the evaluations – efficiency, ICT and HR issues. Three other recurrent themes – targeting, COSOP design and country presence – are discussed below.

29. **Targeting.** Targeting, covered in 13 recommendations, has consistently been among the most common themes addressed in recent evaluations.

    (a) **Geographic targeting:** In response to the evaluation recommendation to identify constraints and opportunities for investment in the northern region of Uganda, an investment project, the Project for the Restoration of Livelihoods in the Northern Region, has been identified and included in the pipeline of the new COSOP for financing in the 2013-2015 cycle.

    (b) **Institutional targeting:** In Madagascar, as per the evaluation, the new Support to Farmers' Professional Organizations and Agricultural Services Project led an institutional diagnostic assessment that defined the roles for different organizations working with farmers: a clear economic role for farmers' organizations (value chain development and income enhancement) and a policy role for the chambers of agriculture (policy dialogue and coordination of the services delivered under the extension services strategy).

    (c) **Different categories and forms of vulnerability:** In Nepal, following the evaluation, the IFAD strategy now takes into account factors emerging from the civil conflict. This includes strengthened support to microentrepreneurs and support to migrant returnees who want to invest remittances into new businesses in their areas. Further, the evaluation found that caste/ethnicity

may not always reflect deprivation and differences in economic status, and therefore project targeting based solely on social class was ineffective. It recommended instead targeting based on a classification of economic status. Accordingly, differences in economic status are now the basis for differentiation, with different categories of economic status established: poor; ultra poor; well-off. However, monitoring by caste and indigenous groups, and by gender, is also maintained to ensure equitable distribution and avoid elite capture.

30. **COSOP design.** Some eight recommendations dealt with the design of new COSOPs. One example of a response is given in box 2.

Box 2: Responding to an evaluation of COSOP design in Nepal

In a post-civil-conflict environment, the Nepal country team has adopted the strategy recommended by the evaluation in designing its COSOP. This has involved identifying political instability and institutional fragility as a major constraint to development. The COSOP therefore builds on reconciliation processes at the grass-roots level, including forging links between communities and civil services. Because of the improved context, migrants are now showing a renewed interest in investment; migrant remittances are therefore a key focus area in the COSOP. The main areas for policy dialogue have also been decided in coordination with the Government, and these have been embedded within project design and implementation, with each new design including a policy dialogue component.

---

31. **Country presence.** Eight recommendations emphasized the need not just to strengthen country presence, which was the focus in previous PRISMAs, but also to clarify further the roles of different institutional actors in countries with IFAD country offices. This was the case in both Madagascar and Mali. Both countries already had coordination units for IFAD-financed projects within their Ministry of Agriculture. In Madagascar, the respective roles of the IFAD programme support unit, CAPFIDA, and the IFAD country office have been updated, allowing greater complementarity. In Mali, a division of roles and coordination between the IFAD country office and the national coordinating office for IFAD projects and programmes, CNPPF, has been outlined: the IFAD country office is in charge of supervision and representing IFAD in donor groups, whereas CNPPF has responsibility for coordinating project teams and improving the linkages between the projects and IFAD. Such a clear-cut division of roles allows both complementarity and greater efficiency, and could be a future focus for PMD in other countries with IFAD country offices.

D. Response to the CLE on IFAD's institutional efficiency and efficiency of IFAD-funded operations

32. With regard to the CLEE, enhancing efficiency at the corporate and operational levels requires collaboration across functions and departments. This has been achieved so far, and almost all items outlined in the Action Plan are on track.

33. At the corporate level, an update on IFAD's accountability framework, including an outline of the key components, was presented to the Executive Board at its 110th session. Details and structures of the three components – political covenants with Member States, internal controls, and complaints and response mechanisms – were outlined. A number of initiatives have also been taken to improve resource management in IFAD. Following an external assessment, IFAD's performance management process has been further enhanced, and a reward and recognition framework has been adopted (to be launched in 2014, including monetary and non-monetary rewards). A new competency framework has been launched; it will play a crucial role in staff recruitment, development and performance management, and will also contribute to staff motivation and performance. With regard to staff motivation, a major exercise was conducted in 2013 as a follow-up to the Global Staff Survey, and six recommended actions were identified through extensive staff consultations. Actions have already been implemented, including changing policies and arrangements, behavioural change and staff engagement. Overall, the strategic workforce planning is now an integral annual process and new job families and titling systems are in place. Numerous ICT initiatives underpinning

improved processes are ongoing, including upgrading to allow mobile access to all ICT platforms.

34. As regards portfolio management systems, the Project and Portfolio Management System has been overhauled and replaced by the Grants and Investment Project System (GRIPS). It now includes information on stand-alone grants. Software systems across the portfolio are being upgraded and will allow full access to country staff; IFAD country offices will also have the same access as headquarters staff to new systems such as GRIPS and FlexCube. The new paradigm is built on understanding the requirements of relevant stakeholders in areas such as procurement, local payments and expense reconciliation.

35. At the programme level, following extensive consultations, Management has prepared key policy guidelines, including the updated IFAD Country Presence Strategy (2014-2015), submitted to the Executive Board in December 2013,[7] subsequently discussed at an informal seminar and approved by the Board through vote by correspondence. The strategy entails the continued use of existing criteria for opening country offices and for selecting from various models of country offices, in addition to the existing exit strategy for country offices. It also outlines the ten additional offices to be established. The updated results-based COSOP guidelines and a full results-based COSOP source book are being prepared by an interdepartmental team and will be issued by mid-2014. With regard to the paper outlining options for country selectivity due in September 2014, Management believes that this issue should be addressed in the context of the Working Group on the Performance-based Allocation System and plans to submit a paper to this effect to the Board's September 2014 session.

E. Follow-up on historical recommendations

36. For the first time this year, as part of the PRISMA process, Management undertook an extensive second-round follow-up of the evaluations already covered under previous editions of the PRISMA. This involved reviewing the PRISMAs submitted to the Executive Board between 2008 and 2012; tracking recommendations not fully followed up when reported (a total of 27 evaluations were covered); and coordinating between country teams, both at headquarters and in the field, and project authorities.

37. Altogether, 138 recommendations were followed up: 92 recommendations (or 67 per cent) have since been fully followed up; an additional 30 recommendations (or 21 per cent) saw actions that are ongoing or partial. In some cases, the context has evolved and the original recommendation is no longer applicable. A summary table is presented in annex II.C, and the individual follow-up actions are listed in volume II.

38. In line with IOE's recommendations, IFAD's presence in some countries has been further strengthened since the first follow-up. In Nigeria, a country programme manager has been outposted; and in Kenya, a regional office business model and organogram have been developed.

39. Project design approaches in Benin (PRISMA 2011) with regard to targeting in value chains, processing, sustainable production and knowledge management have been developed. In Ethiopia (2010), automated systems for rural finance and harmonized procurement processes across donors have been implemented. In Morocco (2008), poverty assessments were conducted, participatory workshops organized with national partners, and synergies between loans and grants designed. In Colombia (2008), an annual budget of US$70 million was allocated, and technical and financial support for rural microenterprises expanded and diversified.

40. In some cases, IFAD did not have an appropriate follow-up project in the pipeline at the time of the relevant PRISMA, but has since incorporated the

---

[7] Document EB 2013/110/R.5/Rev.1.

recommendations. In the Philippines (2010), coastal areas have now been included under the Fisheries, Coastal Resources and Livelihood Project. To ensure a coherent approach, the project has improved coordination between the Department of Agriculture and the Bureau of Fisheries. The recommendation that IFAD consult the three communities in the Mindanao area and respect indigenous customs in the delivery of project services has also now been taken on board.

41. At the corporate level, since the innovation evaluation was covered in PRISMA 2011, IFAD has introduced efforts in knowledge management (learning and sharing) in the new competency framework, which clearly identifies knowledge management as a corporate priority. With regard to rural finance (2008), following a survey of divisional capacity and demand, IFAD designed and developed a comprehensive internal capacity-building plan. In support of the plan, it has delivered training events, and developed technical e-learning modules for staff at headquarters and in IFAD country offices, and for project staff.

F. Response to 2013 ARRI recommendations

42. IFAD Management broadly endorsed the four recommendations of the 2013 Annual Report on Results and Impact of IFAD Operations (ARRI).[8] Both IOE and PMD are involved in follow-up since the recommendations pertain to evaluations and emerging analyses. As can be seen below, three actions emerging from these recommendations are ongoing, and one is not yet due.

(a) On the forthcoming CLE on fragile states, Management agrees that the CLE should cover middle-income countries (MICs) as well as low-income countries, especially since, even in MICs, IFAD often works in inaccessible areas characterized by institutional fragility. PMD would therefore like the evaluation to broaden its focus to include subnational fragility as a determining factor in project performance (ongoing).

(b) Management agrees with the learning theme on the role of governments. IOE needs to provide further details during the ARRI process (ongoing).

(c) The proposed CLE on project management should, as indicated, recognize that IFAD's role in project management is far less significant than that of governments. IOE concurs, and actions are expected in due course (not yet due).

(d) Both PMD and Management will pay special attention to the persistent challenges identified in ARRIs, in the Annual Review of Portfolio Performance and in the annual Report on IFAD's Development Effectiveness (RIDE). This will be addressed in the ongoing portfolio review cycle (ongoing).

G. Response to the 2013 ARRI learning theme

43. The 2013 learning theme focused on understanding exceptional projects (particularly successful or unsuccessful) in diverse country contexts, with a special emphasis on fragile and/or conflict-affected states (FCSs) and MICs. Management found the conclusions useful. Recognizing the importance of country context, Management had already conducted an in-depth assessment of performance in FCSs as part of the 2013 annual portfolio review. The assessment found performance differentials between fragile and non-fragile states, as well as a consistent lack of improvement in FCSs.

44. Management is also engaged in the evaluations being conducted on IFAD's performance in these country categories. It reiterates that the two categories are not mutually exclusive, and therefore the evaluation of FCSs should include fragile situations in MICs. In particular, the evaluation, in addition to considering fragile states, should also address the issue of fragility at the subnational level.

---

[8] EB 2013/110/R.11/Add.1/Rev.1.

45. IFAD is currently updating its approach to both FCSs and MICs as part of the revised business model being prepared for the Tenth Replenishment. With regard to FCSs, IFAD already has some comparative advantages due to its participatory approach, engagement with community organizations, and capacity to reflect the needs of its target population. Currently, IFAD is collaborating with the United Nations Food and Agriculture Organization in a joint programme to build partner capacity. Based on the results of the exercise and the ongoing evaluation, IFAD will further simplify project design and partner with complementary organizations to ensure a smooth transition from humanitarian assistance to development interventions.

46. With regard to MICs, some actions are being discussed as possible approaches under the new business model. IFAD will develop a more customized, country-specific and differentiated menu of policy, project and financial interventions. These could include: developing new financial sources for its interventions in MICs; promoting knowledge transfer and capacity development, including South-South support; and elaborating an approach to graduation from access to IFAD's replenishment and reflow resources (but not to its onlending of borrowed funds).

III. Summary, conclusions and recommendations

A. Summary and conclusions

47. This year's PRISMA covered five evaluations in the current cycle. Only 2 per cent were pending, and about 62 per cent of the recommendations were fully followed up. In addition, about 31 per cent of the recommendations were still ongoing, mostly from the efficiency evaluation, involving long-term improvements in systems and business processes.

48. The second-round follow-up exercise has also helped improve compliance over the long term: now some 84 per cent of recommendations made over the last five years (PRISMAs 2010-2014) have been fully implemented. Adherence to recommendations is strong across regional divisions, with almost 90 per cent of the recommendations involving the divisions being fully implemented.

49. The CLEE follow-up is to be implemented through the Action Plan and has already been vigorous. Almost all actions are on track, and many are already fully implemented. This includes extensive improvements in HR processes, covering rewards and recognition, the competency framework and restructuring policies and arrangements in response to the Global Staff Survey. ICT platforms and portfolio management systems have been upgraded to make IFAD more flexible and agile in responding to problems and identifying solutions. Programmes will be designed and executed in a more coherent manner with improved guidelines recently finalized or being developed, including the results-based COSOP guidelines and the country presence strategy.

50. This year's PRISMA process also involved the second-round follow-up of recommendations that were not fully followed up when reported to the Executive Board. This involved 27 evaluations covered in PRISMAs from 2008 to 2012. Of the 138 partially addressed recommendations, 67 per cent are now considered fully followed up.

B. Recommendations

51. The overall vigorous uptake of evaluation recommendations reflects both their continued relevance and Management's stringent follow-up. Regarding the second-round follow-up on recommendations reported in past PRISMAs, it is recommended that this exercise be repeated every four to five years.

52. Regarding the fragile state evaluation, it is reiterated that the evaluation should not treat fragile states and MICs as mutually exclusive. When identifying determinants of project performance, subnational factors should also be kept in mind.

Independent Office of Evaluation of IFAD's comments on the 2014 PRISMA

I. General observations

1. This is the eleventh edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) submitted by IFAD Management to the Evaluation Committee and the Executive Board for their review. In accordance with the Revised IFAD Evaluation Policy,[9] the Independent Office of Evaluation of IFAD (IOE) hereby provides its comments on the report for consideration by the Committee and the Board.

2. The 2014 PRISMA is a very well prepared and succinct document. It analyses the implementation status of the recommendations contained in five evaluations released in 2012 and 2013.[10] In addition, this year's PRISMA tracks recommendations that were not fully followed up when reported in PRISMAs submitted to the Board between 2008 and 2012. IOE welcomes this second round of follow-up on its recommendations, an exercise carried out for the first time this year, and supports Management's recommendation that such an exercise be undertaken every four or five years, or even more frequently.

3. In particular, IOE acknowledges the strong follow-up of recommendations reported in PRISMA 2014, consistent with data from previous years, and partly attributed to the continued relevance and focus of IOE's recommendations.

4. IOE appreciates the effort in this year's PRISMA to address many of its comments on the previous edition, for example, by reporting on the implementation status of recommendations contained in the Annual Report on Results and Impact of IFAD Operations (ARRI) using the same implementation status categories (e.g. full follow-up, ongoing, partial, etc.) as in the ARRI and IOE evaluations generally.

II. Specific comments

5. **Project evaluations**. Paragraph 3(a) states that "in keeping with the Revised Evaluation Policy, IOE ceased conducting project-level evaluations" and therefore PRISMA no longer covers project-level evaluations. IOE would like to clarify that it has not stopped project-level evaluations, but transformed its approach to them by conducting project completion report validations (PCRVs) for all closed operations and project performance assessments (PPAs) (on a selective basis), which is in line with the recommendation of the 2009-2010 peer review of IOE by the Evaluation Cooperation Group. This further aligns IOE's evaluation system to the evaluation function of other international financial institutions, and has contributed to enhancing IOE's efficiency given that PCRVs and PPAs cost less than project-level evaluations did in the past. Moreover, conducting PCRVs allows IOE to assess and rate all IFAD-funded projects closed in any one year, thus ensuring full coverage of the portfolio. PCRVs and PPAs in turn strengthen the robustness of the ARRI since they are used as a basis for this flagship IOE report. On a related issue, it is useful to recall that projects are also evaluated as part of IOE country programme evaluations (CPEs).

6. **Country presence**. Paragraph 31 describes IFAD actions in response to recommendations focused on strengthening country presence, and in particular on further clarifying the roles of different institutional actors in countries with IFAD country offices. While this is indeed an important issue, CPEs are also noting that additional effort needs to be dedicated to ensuring that the full potential of country

---

[9] See document EB 2011/102/R.7/Rev.2, paras. 11 and 31(i).
[10] One additional evaluation included in ARRI 2012 (Jordan CPE) and two covered in ARRI 2013 (Ecuador and Indonesia) are not included in this year's PRISMA either because agreements at completion point were not available at the time of the PRISMA review or because not enough time was available to allow for meaningful follow-up.

presence is realized; this includes collaborating more actively with government on policy dialogue, reinforcing knowledge management activities, and strengthening partnerships with government and other partners.

7. On this topic, it is worth noting that IOE tentatively plans to undertake a corporate-level evaluation (CLE) on IFAD's institutional decentralization in 2016. The aim of the evaluation will be, inter alia, to assess the role and achievements of country offices in country programme management and delivery, the different models for country presence, the budget and infrastructure assigned, information and communication technology and connectivity, security in the field, and other related dimensions that are critical to ensuring the proper functioning of country offices for better development effectiveness on the ground.

8. **Corporate-level evaluations**. IOE appreciates the response to recommendations from the CLE on IFAD's institutional efficiency and efficiency of IFAD-funded operations (CLEE). It is pleased to see that – as it recommended in comments on PRISMA 2013 – Management has developed an action plan as part its response to the CLEE. The additional information on specific deliverables and timelines provided in the Action Plan has proved to be an effective mechanism for assessing the implementation follow-up of each recommendation emanating from the CLEE.

9. IOE acknowledges the progress made to date at both the corporate and the programme level, despite the relatively short time that has elapsed since the Action Plan was approved by the Board in September 2013, and is pleased to note that many items in the Action Plan are on track. With regard to paragraph 34, IOE welcomes the replacement of the Project and Portfolio Management System by the Grants and Investment Project System (GRIPS), including information on stand-alone grants. However, according to the recent CLE on grants, GRIPS (which has only been under implementation for less than a year) still needs some improvement; for instance, at the moment it does not include loan-component grants, and only limited information is available on each grant's thematic focus.

10. Given that, as stated in paragraph 2 of the PRISMA's executive summary, a large number of management actions derived from CLEE recommendations involve "long-term system and process restructuring and will continue until around end-2015", IOE encourages Management to ensure that the PRISMA will continue reporting on CLEE recommendations in future editions of the report.

11. Moreover, as indicated in IOE's comments in the last two years, it is recommended that, in view of the strategic importance of CLEs and their far-reaching nature, the PRISMA include a dedicated section tracking a complete list of recommendations emanating from past CLEs, e.g. the African Development Bank-IFAD joint evaluation in Africa, the CLE on innovation and scaling up, the CLE on the private sector, and the CLE on gender equality and women's empowerment.

12. IOE acknowledges the efforts made by IFAD to review its approach to working in fragile and/or conflict-affected states (FCSs) and in middle-income countries (MICs) (see paragraphs 42(a) and 43-46), and takes note of Management's comments on the non-exclusive nature of both categories. In this regard, IOE would like to emphasize that, in conformity with the Executive Board's decision at its 110th session, the CLE on IFAD's engagement in fragile states will cover fragile and conflict-affected situations in both low- and middle-income countries.

13. **ARRI recommendations.** This year's PRISMA responds to specific recommendations provided in ARRI 2013. However, it does not address a number of issues pending from earlier editions: from ARRI 2012, the ARRI to be considered at the first session of replenishment consultations (although this has been implemented) and also as the first item at December Executive Board sessions; and from ARRI 2011, (i) coherent guidelines on the levels of counterpart funding from Member States to be developed and applied and (ii) the cooperation framework for partnership with the African Development Bank to be reviewed.

Long-term follow-up trends

A.   Implementation status of recommendations by level, 2010-2014 PRISMA reviews

Level	Full follow-up	Not yet due	Ongoing	Partial	Pending	Not applicable	Not agreed	Total
IFAD	79		33	10	3	3		**128**
Region	6		1			1		**8**
Country	444	2	25	15	2	10	1	**499**
Government	39		2	1	1	1		**44**
Project	49		3			1		**53**
Total (No.)	**617**	**2**	**64**	**26**	**6**	**16**	1	732
Total (%)	**84**	**0**	**9**	**4**	**1**	**2**	0	

B.   Implementation by regional divisions, 2010-2014 PRISMAs

Level	Full follow-up	Not yet due	Ongoing	Partial	Pending	Not applicable	Not agreed	Total
WCA	120	2	9	4	2	1	1	**139**
ESA	169		11	2		4		**186**
APR	133		2	5	1	7		**148**
LAC	69		9	2		1		**81**
NEN	47			3				**50**
Total (No.)	**538**	**2**	**31**	**16**	**3**	**13**	1	604
Total (%)	**89**	**0**	**5**	**3**	**0**	**2**	0	

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.

C.   Follow-up of historical recommendations:
(Extent of follow-up for all recommendations that were not previously fully followed up, 2008-2012 PRISMAs, after second round of follow-up in 2014)

Level	Full follow-up	Not yet due	Ongoing	Partial	Pending	Not applicable	Total
IFAD	9		1	1		2	13
Region	4						4
Country	64		14	8	1	11	98
Government	9		2	3		1	15
Project	6			1		1	8
Total (No.)	**92**		**17**	**13**	**1**	**15**	138
Total (%)	**67**		**12**	**9**		**11**	

Evaluation recommendations by theme (2014 PRISMA)

Evaluation recommendations by theme and nature, in the 2014 PRISMA

Block	Theme	Total (number)	Total (percentage)
Targeting and gender	Targeting	13	12
	Gender		
	Beneficiaries		
	Organizations of the poor		
Technical areas	Private sector and markets	5	5
	Natural resource management	5	5
	Analysis, studies and research	2	2
	Rural finance		
	Infrastructure		
	Training and capacity-building		
Project management	Project design and formulation	4	4
	Decentralization	1	1
	Project management and administration	6	6
	Country presence	8	7
	Results measurement, monitoring and evaluation	6	6
	Supervision	3	3
Non-lending activities	Partnerships	2	2
	Policy dialogue	5	5
	Knowledge management	3	3
Cross-cutting	Sustainability	2	2
	Efficiency	12	11
	Innovation		
	Replication and scaling up	1	1
	COSOP	8	7
	Governance		
	Strategy	2	2
Corporate	Human resources	14	13
	ICT	7	6
Total		**109**	**100**