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

Volume I: Main report

Note to Evaluation Committee members

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Investing in rural people

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Executive Board – 118th Session
 Rome, 21-22 September 2016

For: Review

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Abbreviations and acronyms

APR	Asia and the Pacific region
ARRI	Annual Report on Results and Impact of IFAD Operations
CCR	COSOP completion review
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
CSN	country strategy note
DEF	development effectiveness framework
ESA	East and Southern Africa
ICO	IFAD Country Office
ICT	information and communications technology
IE	interim evaluation
IOE	Independent Office of Evaluation of IFAD
KM	knowledge management
LAC	Latin America and the Caribbean
MICs	middle-income countries
NEN	Near East, North Africa and Europe region
PBAS	performance-based allocation system
PCR	project completion report
PDR	project design report
PMD	Programme Management Department
PPA	project performance assessment
PRICE	Project for Rural Income through Exports
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
PTA	Policy and Technical Advisory Division
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
RSP	Rural Sector Performance
RIMS	Results and Impact Management System
RTA	reimbursable technical assistance
SIS	supervision and implementation support
SSTC	South-South and triangular cooperation
WCA	West and Central Africa

Executive summary

1. The thirteenth edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) reviews follow-up actions on recommendations made by the Independent Office of Evaluation of IFAD (IOE).
2. Number and type of evaluations covered. The report covers a total of 25 evaluations: 12 of these are considered evaluations for "historical follow up" (i.e. second- or third-round review) and 13 are new evaluations finalized in 2014 and 2015. In terms of types of evaluation, this year's PRISMA covers: four corporate-level evaluations (CLEs), 12 country-level evaluations and nine project-level evaluations. The CLEs deal with: (i) fragile states and situations, (ii) replenishments, (iii) supervision (second-round review) and (iv) efficiency (third-round review).
3. Implementation status. Management's uptake of IOE recommendations continues to be high, at 94 per cent, confirming the upward trend in performance observed in recent editions of the PRISMA. A disaggregated look at these results reveals a trend towards a greater number of corporate-level recommendations. As these require recurrent or longer-term actions, there has been an increase in the percentage of recommendations that are ongoing and a corresponding decline in the percentage of recommendations that were fully followed up.

Responses to corporate-level evaluations

4. CLE IFAD's engagement in fragile and conflict-affected states and situations. This evaluation was followed up by an approach paper for IFAD's strategy for engagement in countries with fragile situations, presented to the Evaluation Committee (in March 2016) and the Executive Board (in April 2016). The final strategy will build on the feedback provided by the Evaluation Committee and Executive Board and will be submitted in December 2016 as part of a corporate paper addressing fragility, middle-income countries (MICs), the performance-based allocation system (PBAS) and decentralization.
5. CLE replenishments. Following the CLE on replenishments, an Ad hoc Working Group on Governance Issues was established to review and assess the relevance of the IFAD List system, the composition of replenishment consultations and the length of replenishment cycles for the period of the Eleventh Replenishment of IFAD's Resources (IFAD11) and beyond. Management has also pursued the mobilization of non-earmarked resources through the replenishment process, such as unrestricted complementary contributions, and has adopted the Sovereign Borrowing Framework.
6. CLE Supervision. The process of revising the guidelines on supervision and implementation support (SIS) is under way. SIS practices are being streamlined as a clear joint IFAD-government responsibility, in alignment with the principle of joint ownership and accountability of IFAD's Supervision and Implementation Support Policy. Moreover, to anchor SIS in results, the Programme Management Department is working closely with the Information and Communications Technology Division (ICT) on the development of an automated online reporting system that will enable real-time collection of project data from design through supervision to completion. The new approach will be reflected in updated SIS guidelines by the end of 2016.
7. CLE Efficiency. Significant progress has been made. Some of the actions undertaken are as follows: presentation of a paper on country selectivity to the Executive Board in 2014; presentation of a synthesis report on 22 impact assessments to the Board in April 2016; implementation of phase 1 of the IFAD Client Portal foreseen by year-end; and delivery of the Business Intelligence

Operations Dashboard in 2015, integrating information from the Grants and Investment Projects System (GRIPS), Flexcube and other corporate data sources.

8. Actions at the programme level. Country programmes are increasingly internalizing evaluation lessons and recommendations, particularly with regard to non-lending activities and monitoring and evaluation (M&E). Examples of ongoing interventions to improve M&E that are being developed as part of the development effectiveness framework are: (i) upgrading the Results and Impact Management System (RIMS); (ii) improving key tools to measure and manage for results, including logical frameworks; (iii) establishing processes to track results in real time through IT systems; (iv) strengthening M&E skills in Member States through a specific M&E and impact assessment curriculum and certification framework; and (v) making use of broader impact assessments of IFAD activities to maximize learning.
9. Recommendations. While Management acknowledges the efforts recently made by IOE to increase the practicality of its recommendations, it notes that recommendations have become more complex and tend to combine a large number of sub-actions. With a view to facilitating the implementation of recommendations, and to maintaining a high level of transparency and accountability in the follow up of Management actions, Management suggests that a template for recommendations be discussed and agreed with IOE.
10. Management notes the number and diversity of evaluations conducted by IOE and their implications for the organization as a whole. They have resulted in 1,933 recommendations between 2006 and 2016, i.e. approximately 158 recommendations to be addressed in each calendar year since 2006. These figures are significant, and require a thorough reflection on the number of independent evaluation products and recommendations produced by IOE. Management highly values the independent analysis and recommendations by IOE but underlines the need to rationalize these in the future to ensure that they are matched by adequate IFAD staff capacity and resources.

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

I. Introduction and methodology

1. The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) serves as an important accountability and learning tool. The report responds to recommendations emerging from evaluations conducted by the Independent Office of Evaluation of IFAD (IOE) and informs the Evaluation Committee and the Executive Board of the implementation status of the recommended actions.
2. The PRISMA tracks actions taken by Management in response to the recommendations through the following tools:
 - (a) For corporate-level evaluations (CLEs), commitments are made by IFAD Management in the Management responses;
 - (b) For country programme evaluations (CPEs), the agreements at completion point signed by IFAD and government representatives are used to track follow-up actions that signatories have agreed to implement;
 - (c) For project performance assessments (PPAs), the current PRISMA has listed recommendations that were specifically addressed to IFAD. As a result of the discussions on PRISMA at the eighty-fourth session of the Evaluation Committee,¹ starting in 2015 PPAs are also covered by the PRISMA. Only recommendations from the text of the reports directly addressed to IFAD have been included (since governments do not currently sign off on PPAs, and cannot be held accountable for them). The second edition of the Evaluation Manual, released by IOE in December 2015, includes the provision for Management responses to the PPAs. Two out of the seven PPAs included in the 2016 PRISMA contained a Management response. The PRISMA also includes responses to recommendations from the 2014 Annual Report on Results and Impact of IFAD Operations (ARRI)² and IOE's comments on the 2014 Report for IFAD's Development Effectiveness (RIDE).³
3. The 2016 PRISMA covers 25 evaluations jointly selected by Management and IOE, of which 12 were covered by previous editions of the PRISMA (i.e. historical follow up)⁴ and 13 were new evaluations finalized in 2014 and 2015, as follows:⁵
 - (a) Four CLEs on: (i) IFAD's engagement in fragile and conflict-affected states and situations;⁶ (ii) IFAD replenishments;⁷ (iii) IFAD's supervision and implementation support policy⁸ (second round review); and (iv) institutional efficiency and efficiency of IFAD-funded operations⁹ (third-round review);
 - (b) Twelve CPEs for: Bolivia (Plurinational State of), China, Ghana, Madagascar, Mali, Nepal, Rwanda, Uganda, United Republic of Tanzania, Viet Nam and Yemen (second-round review), Zambia;

¹ EC 2014/84/ W.P.4.

² EB 2014/113/R.8/Add.1/Rev.1.

³ EB 2014/113/R.11 + Add.1.

⁴ This year, the PRISMA covers the third-round historical follow up of the CLE on institutional efficiency and efficiency of IFAD-funded operations, the second-round of the CLE on IFAD's supervision and implementation support policy, and the second-round review of country and project-level evaluations classified as not fully followed up in PRISMA 2013 and PRISMA 2014.

⁵ It includes CLEs and CPEs with either Management responses prepared or agreements at completion point signed before 30 June 2015 and PPAs published before that date.

⁶ EB 2015/114/R.4.

⁷ EB 2014/111/R.3/Rev.1.

⁸ EB 2013/109/R.6.

⁹ EB 2013/108/R.3/Rev.1.

- (c) Seven project performance assessments (PPAs) for projects in Albania, India, Morocco, Pakistan, Rwanda, Sudan, and Turkey; and
 - (d) Two interim evaluations (IEs) for Brazil and for Ghana (second-round review).
4. In order to facilitate the analysis, and in line with previous years, this report classifies the recommendations according to the following criteria:
 5. Level. This refers to the entity targeted by the recommendation, and primarily responsible for implementation. The levels usually are:
 - Project authorities;
 - IFAD at the country level, in partnership with government;
 - Partner country government authorities and institutions;
 - IFAD at the regional level; and
 - IFAD at the corporate level.
 6. Nature. This categorizes the recommendation as per the revised IFAD 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.
 7. Theme. This lists the recommendations by themes spread across six broad blocks, namely, targeting and gender, technical areas, project management, non-lending activities and cross-cutting themes. These are further divided into 31 themes.
 8. Once the country teams (and cross-departmental resource people in the case of CLEs) communicate 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, and the relevant policies or guidelines;
 - Ongoing: actions initiated in the direction recommended;
 - Partial: recommendations followed up partially, with actions consistent with the rationale of the recommendation;
 - Not yet due: recommendations that will be incorporated into projects, country programmes or country strategic opportunities programmes (COSOPs) or policies still to be designed and completed;
 - 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;
 - Pending: recommendations that could not be followed up; and
 - Not agreed upon: recommendations that were not agreed to by Management or the respective country team or government.
 9. The first volume of the PRISMA provides a synthesis of the follow-up actions taken and flags any major emerging issues. Section II is structured as follows: (A) evaluation coverage and contents; (B) implementation status: extent of compliance; (C) key themes: areas of focus; (D) responses to the corporate-level evaluations; and (E) responses to IOE recommendations and learning theme. Section III presents conclusions and recommendations. Comments from IOE are provided in annex I. The attached volume II lists the individual follow-up actions taken in response to each recommendation covered in the PRISMA.

II. Implementation status of the recommendations

A. Evaluation coverage and contents

10. Regional distribution. Besides the four CLEs, this year's PRISMA covers 21 evaluations carried out at the country/project level, including six from the East and Southern Africa (ESA) region, five from the Near East, North Africa and Europe (NEN) region, five from the Asia and the Pacific (APR) region, three from the West and Central Africa (WCA) region and two from the Latin America and the Caribbean (LAC) region.
11. Number of recommendations from each type of evaluation. This year's PRISMA reviewed the implementation status of a total of 173 recommendations (45 more than last year): 53 from four CLEs, 83 from 11 CPEs, 31 from seven PPAs, and three each from two IEs. The average number of recommendations per evaluation type is 7-8 per CPE and about 3 per PPA. With regard to historical follow up, the PRISMA only reports on recommendations that were not yet fully followed up, and the number of recommendations was relatively smaller in the case of the two IEs, two of the CLEs, and seven of the CPEs.
12. In terms of the CLEs, the PRISMA reports on 12 actions for the CLE on fragility, 14 for the CLE on replenishments, 22 for the CLE on efficiency and 8 for the CLE on supervision. Overall, the trend towards fewer recommendations from IOE observed in recent years is confirmed, although thorough follow up continues to entail systematic disaggregation of recommendations that continue to be presented by IOE as a package.
13. With regard to historical follow up, 12 evaluations were reviewed for the second or third time. A total of 63 recommendations emanate from evaluations covering historical follow up.
14. Level assigned for follow-up. Responsibility for follow up is split between the corporate and the country level (table 1). All 56 recommendations from the CLEs (32 per cent of total) are for follow up at the corporate level.
15. For the CPEs and PPAs, almost all the recommendations are assigned to country teams in coordination with relevant government authorities. From the PPAs, only the recommendations addressed to IFAD have been selected, therefore they are all assigned to IFAD at the country level, and in no case assigned to the government alone. The few recommendations assigned to IFAD at the corporate level are mainly related to the decentralization process which goes beyond single country teams. The distribution is presented in table 1 below.

Table 1

Number of recommendations in PRISMA 2016 by type of evaluation and level

	<i>IE</i>	<i>PPA</i>	<i>CPE</i>	<i>CLE</i>	<i>Total (number)</i>	<i>Total (percentage)</i>
IFAD corporate level	-	1	2	56	59	34
IFAD country/government level	3	30	81	-	114	66
Total (number)	3	31	83	56	173	100
Total (percentage)	2	18	48	32	100	

16. Nature of recommendations. The majority of the recommendations are strategic (66 per cent), since most actions emerged from CPEs and CLEs. Compared to last year (15 per cent), the percentage of operational actions recommended is higher (26 per cent), given the number of evaluations at the project level. This is more in line with past editions of the PRISMA (2014, 2013 and 2012) in which operational recommendations accounted for over 30 per cent of the total.¹⁰

¹⁰ See table A in annex II for distribution by nature and theme.

B. Implementation status: extent of compliance

17. The extent of follow up for the 173 recommendations included in the PRISMA 2016 is presented in table 2 below. This includes also historical follow up.

Table 2

Implementation status of evaluation recommendations (PRISMA 2016)

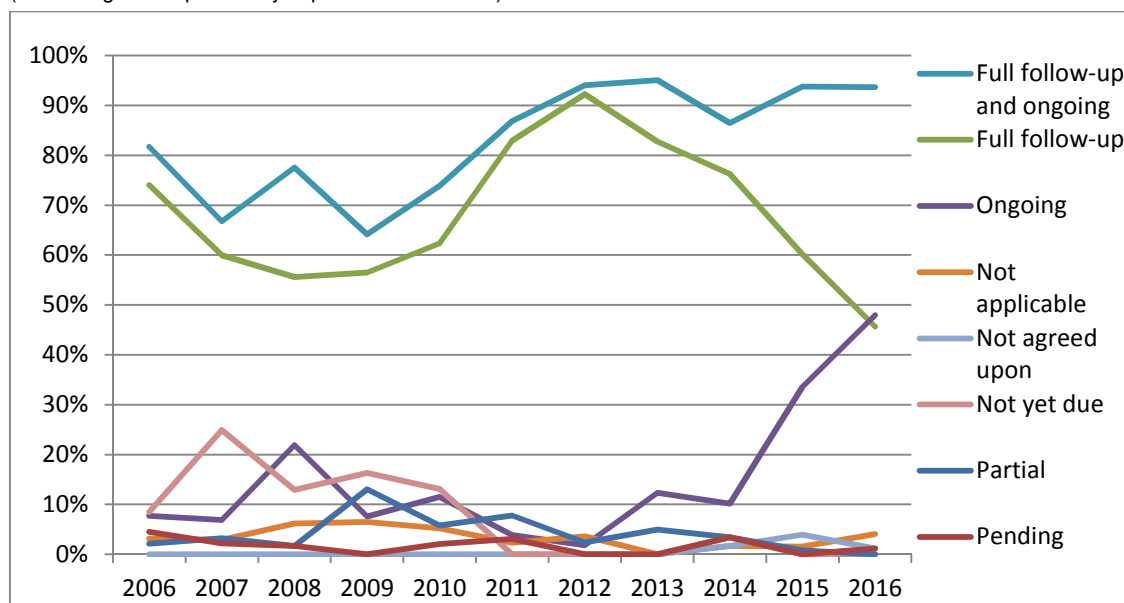
<i>Level</i>	<i>Fully followed-up</i>	<i>Ongoing</i>	<i>Partial</i>	<i>Not yet due</i>	<i>Not applicable</i>	<i>Pending</i>	<i>Not agreed</i>	<i>Total (Number)</i>
IFAD corporate level	18	40	-	-	-	-	1	59
IFAD country/government	61	43	-	-	7	2	1	114
Total (number)	79	83	-	-	7	2	1	173
Total (percentage)	46	48	-	-	4	1	1	100

18. The strong commitment to implement the independent evaluation recommendations observed last year is confirmed, with 94 per cent of recommendations fully followed-up or ongoing. The number of recommendations that have been fully followed up (79) is higher than last year (77) although, due to the higher number of recommendations covered this year, the corresponding percentage is lower (46 per cent). Both the “fully followed-up” and the “ongoing” categories reflect substantial and clear action taken, with the difference often being the nature of the recommendation, with recurrent or long-term actions classified as ongoing.
19. The upward trend in performance observed in last year’s PRISMA is confirmed in this year’s edition. The graph below shows the trend in compliance since 2006.

Graph

Long-term compliance trends

(Percentage of responses by implementation status)



20. There are various reasons for the trend: (i) Management has pursued more vigorous follow-up across divisions; (ii) quality assurance mechanisms pay more systematic attention to lessons emerging from evaluations; and (iii) the historical follow up of recommendations that were not initially fully followed up has helped increase compliance.
21. The increasing number of recommendations of which implementation is ongoing, as against those fully followed up, can be explained by the decline over time of the number of project-level evaluations covered by the PRISMA as opposed to country and corporate-level evaluations. Typically the nature of project-level recommendations allows for more immediate and complete follow up, whereas the

implementation of country- or corporate-level recommendations requires recurrent or longer-term actions that are classified as ongoing.¹¹

22. The “historical follow up” category in the annual PRISMA review allows for the monitoring of recommendations that entail actions linked to evolving reforms and for which implementation will be therefore long-term and recurrent. This year, the PRISMA covers the third-round historical follow up of the CLE on efficiency, the second round of the CLE on supervision, and the second-round review of country- and project-level evaluations classified as not fully followed up in PRISMA 2013 and PRISMA 2014. In the coming years, Programme Management Department (PMD) will maintain a time lag of two to three years to allow programmes or policies to mature, thereby allowing recommendations to be addressed.
23. Examples of recommendations being followed up are provided below.
24. Recommendations fully followed up. In response to the recommendation of the CLE on efficiency to review and update IFAD’s guidelines for results-based country strategic opportunities programmes, including the criteria for deciding whether a COSOP is required (e.g. for small country programmes), the revised guidelines were issued in December 2015. According to the new guidelines, all countries with which IFAD maintains active engagement require an COSOP. A shorter document (country strategy note [CSN]) is prepared instead of a COSOP under special circumstances, such as a country with a PBAS allocation equal or below US\$5 million.
25. Ongoing recommendations. These include actions currently under implementation, and usually entail long-term processes. In response to the recommendation of the CLE on efficiency to develop and implement more responsive instruments for middle-income countries (MICs), Management presented an update on IFAD’s engagement with MICs to the Executive Board in April 2016, whereby it committed to pursue ongoing efforts to enhance and consolidate IFAD’s engagement in MICs through a mix of financial and knowledge products and services, such as: single currency lending, reimbursable technical assistance (RTA), country-level policy engagement, knowledge management (KM), and South-South and triangular cooperation (SSTC). Procedures for the RTA are currently being developed to expand its use. A corporate paper on MICs, countries in fragile situations, PBAS and decentralization will be presented to the Board in December 2016.
26. Recommendations pending. Two recommendations from the CPE Yemen were classified as pending because the security situation in the country meant that they could not be followed up. The portfolio of projects in Yemen has been suspended since May 2015 due to force majeure and the IFAD Country Office (ICO) is closed. No missions to the country are allowed. As soon as the situation allows, the preparation of the country strategy (COSOP or CSN) that started in 2013 will resume and the CPE recommendations will be internalized.
27. Recommendations that are not applicable. These include recommendations that are no longer applicable due to changed circumstances. The seven recommendations classified as not applicable in this year’s PRISMA come from the PPA Albania. Since Albania did not confirm its interest in borrowing from IFAD under the current lending cycle (2016-2018), there will be no new projects for Albania in IFAD10. As such, the findings of the PPA are not immediately applicable to Albania. However, the PPA recommendations will be applied to the extent possible when designing in similar profile countries, i.e. Montenegro, and will be taken into consideration should Albania receive a PBAS allocation and a new project be designed.
28. Recommendations not agreed upon. The CPE Mali recommended an early termination of IFAD-funded projects in the north of the country given the conflict

¹¹ See annex III for 11-year PRISMA review figures, by level, by region and by type of evaluation.

and risks of misappropriation of resources after the 2012 coup. However, IFAD and the Government of Mali jointly decided to continue supporting the project beneficiaries through local actors, NGOs and United Nations agencies. This support was critical to improve and secure project sustainability.

29. No recommendations were classified as not yet due or partially followed up. One recommendation from the CLE on efficiency regarding the scaling up of the disbursement processing unit in Nairobi to an interregional decentralized hub has been reclassified as ongoing because of changes that occurred in 2016. While the Nairobi office currently covers the WCA and the ESA regions, the recent creation of a Finance Administration Services unit within the Accounting and Controller's Division will go beyond the scope of the recommendation as the loan administration process for all regions will be spread across headquarters and the Nairobi office.

C. Key themes: areas of focus

30. Besides assessing the degree of compliance, the PRISMA also classifies recommendations by theme. Such a classification allows Management to identify emerging trends as well as areas requiring specific attention. Recommendations are classified into 31 themes within six broad blocks. The list of themes has been updated to include two new emerging themes: replenishment and SSTC.
31. Findings are summarized below and details are provided in annex II.

Table 3

Evaluation recommendations by theme

<i>Theme</i>	<i>Total</i>	<i>Percentage</i>
Targeting and gender	16	9
Technical areas (natural resource management, private sector, etc.)	24	14
Project management (M&E, etc.)	54	31
Non-lending activities (partnership, policy engagement, KM, etc.)	30	17
Cross-cutting themes (grants, efficiency, sustainability, COSOP, etc.)	29	17
Corporate (ICT, human resources)	20	12
Total	173	100

32. The most recurrent thematic areas in this year's PRISMA are "programme management" and "non-lending activities". The individual themes with the most recommendations are results measurement and M&E (17), targeting (14) and private sector and markets (12). Other themes are also emerging from the analysis, such as country presence, partnerships and policy engagement (11 recommendations).
33. Examples of follow up on recommendations in the most recurrent themes/recommendations are presented below.
34. Monitoring and evaluation. Management has initiated measures to streamline IFAD's self-evaluation system as part of the development effectiveness framework (DEF). Examples of the actions taken are: (i) upgrading IFAD's Results and Impact Management System (RIMS); (ii) improving key tools to measure and manage for results, including logical frameworks; (iii) establishing processes to track results in real time through IT systems; (iv) strengthening M&E skills in Member States through a specific M&E and impact assessment curriculum and certification framework; and (v) considering broader assessments of IFAD's activities to maximize learning.
35. At the programme level, despite the challenges, substantial efforts have resulted in improved project M&E systems across the portfolios. In Nepal, for instance, the High-Value Agriculture Project in Hill and Mountain Areas project has introduced a tablet-based data collection system with a computerized database which measures

the production, consumption, sales and income of each beneficiary household and is being rolled out to other new projects.

36. Targeting. Consistent with the CPE recommendations, the targeting strategy of the China COSOP 2016-2020, currently under development, would focus on: (i) the 14 national poverty priority areas; (ii) within the 14 national priority areas, poor villages with production and market potential (not necessarily in very remote areas); and (iii) the inclusion of women, rural youth and ethnic minorities within the targeted population in the villages, regardless of their poverty status.
37. Private sector and markets. In Rwanda, IFAD continues supporting equitable business partnerships between private enterprises and small-scale producers, in line with the successful experiences in the tea and coffee sectors. A number of tea producers' cooperatives supported under Project for Rural Income through Exports (PRICE) are acquiring equity stakes in their respective tea-processing companies, thus participating in the management of these factories and increasing their incomes through dividend earnings. This is an important innovation that started with the Smallholder Cash and Export Crops Development Project and is set to be scaled up under PRICE and the Climate Resilient Post-Harvest and Agribusiness Support Project (PASP). The new project under design will also promote a public-private-producer partnership (4P) approach to value chain development.
38. Country presence. IOE's recommendations in this year's PRISMA relate mainly to strengthening the ICOs with additional financial and human resources to ensure effective engagement in both lending and non-lending activities. The country programme manager (CPM) for Uganda was outposted in August 2014 and has been accredited as a country representative. Outposting of the CPM to China is awaiting signature of the host country agreement. The CPM for Madagascar is currently based at IFAD headquarters following the current ESA decentralization strategy under which the Madagascar ICO, currently led by the country programme officer, will form part of a hub covering Mozambique and the Indian Ocean island states.
39. Management is currently working on a corporate decentralization plan to be presented to the Board in December 2016 as part of the corporate paper on fragility, MICs, PBAS and decentralization. The plan is expected to address critical issues for effective decentralization while reflecting regional specificities. It will also respond to preliminary recommendations emerging from the ongoing CLE on decentralization.
40. Policy engagement. At corporate-level, capacity is being built within the Policy and Technical Advisory Division (PTA) and Environment and Climate Division to support and ensure the policy focus of COSOPs and project designs, as well as to assist CPMs in engaging in national policy processes with governments. PTA has developed an approach paper to support the process and dedicated funds are being made available to country teams to finance policy-related knowledge products linked to country programmes. PMD, in collaboration with Strategy and Knowledge Department, is upgrading IFAD's results measurement system to enable assessment of IFAD's performance in policy engagement.
41. In countries with ICOs, IFAD has proved to be better positioned to engage more effectively in policy processes. In Zambia, the current programme is providing strong support to policy and institutional development in several areas, including rural finance and agribusiness. In India, policy issues being pursued under ILSP include promotion of high nutritive value inputs such as millet and pulses into the Government's flagship nutrition programme.
42. Gender. In this year's PRISMA, gender was covered specifically by only one recommendation. In some cases gender-related recommendations are embedded in suggested actions for targeting, but the main reason for this low incidence of gender recommendations is that – as evidenced by supervision reports, portfolio

reviews and IOE evaluations – IFAD tends to perform relatively well in terms of its gender impact.

D. Responses to the corporate-level evaluations

43. This year's PRISMA review covers CLEs on: replenishments, fragility, supervision and implementation support, and efficiency. The last two are part of historical follow up (second- and third-round reviews, respectively).
44. CLE on fragile states and situations. In response to the CLE on fragile states and situations, which requested a definition of the principles guiding IFAD's approach to engagement with fragile and conflict-affected states and subnational situations, Management presented the approach paper for the strategy to the Evaluation Committee in March and the Executive Board in April 2016. The final strategy will build on feedback provided by the Committee and Board and will be submitted in December 2016 as part of the corporate paper on MICs, PBAS, fragility and decentralization.
45. Among the proposed key elements for the new strategy are: (i) an updated definition of fragility and new approach to classification of countries with fragile situations; (ii) guiding principles for IFAD's engagement in fragile situations, such as risk management and resilience; and (iii) mobilization and allocation of resources to address the root cause and consequences of fragility.
46. CLE on replenishments. Following the CLE on replenishments and the IFAD10 Consultation, an Ad hoc Working Group on Governance Issues was established by the Governing Council in February 2015 to review and assess the structure, appropriateness and relevance of the IFAD List system; the composition replenishment consultations; and the length of replenishment cycles in IFAD11 and beyond. Regular updates are being provided to the Board, and the Working Group's final report will be presented to the Governing Council in 2017.
47. Management is also pursuing the mobilization of non-earmarked resources through the replenishment process. For IFAD10, unrestricted complementary contributions have been agreed for four main areas: mainstreaming nutrition, 4Ps, SSTC and climate change. A working group has been formed to propose a revised financing architecture for the Adaptation for Smallholder Agriculture Programme (ASAP) to the Executive Management Committee. In 2015, the Executive Board approved the Sovereign Borrowing Framework, established to guide future sovereign borrowing by IFAD.
48. CLE on supervision and implementation support. The CLE on supervision and implementation support (SIS) has been followed up for the second year as part of historical follow up. The process of revising the SIS guidelines is under way. SIS practices are being streamlined as a clear joint IFAD-government responsibility, in accordance with the CLE and in alignment with the principle of joint ownership and accountability set forth in IFAD's policy on SIS. The new approach will be reflected in updated supervision guidelines by the end of 2016.
49. Fundamental changes in the revised guidelines will include: (i) shifting from a culture of supervision "by mission" to a culture of continuous supervision; (ii) anchoring supervision in results by updating logical frameworks and streamlining project performance ratings; and (iii) streamlining supervision reporting tools into a single action-oriented instrument. This new approach will allow greater capture and use of knowledge generated by supervision.
50. CLE on efficiency. In this year's PRISMA, follow up on the efficiency CLE has been tracked for the third time, through the actions to which IFAD committed itself in the consolidated action plan.¹² The action plan was presented to the Board in September 2013 to address both IFAD9 commitments and the CLE recommendations.

¹² EB 2013/109/R.12.

51. Significant progress has been made since last year. Key actions are presented in the following paragraphs. On policies and guidelines, a paper on country selectivity, updating the status of IFAD's thematic selectivity, was presented to the Board in 2014.¹³ As mentioned earlier in the report, a consolidated paper on MICs, fragility, PBAS and decentralization will be presented to the Board in December 2016. The synthesis report on 22 impact assessments¹⁴ was presented in May 2016. The guidelines for SIS are being revised and will be aligned with the recently introduced operational procedures on country strategies, logical frameworks and economic and financial analysis, and completion reporting.
52. On financial management and loan administration, the former Controller's and Financial Services Division was split in two in 2016, separating loan administration from project financial management, thereby enhancing the focus on both areas. Phase 1 of the upgrade to the Loans and Grants System (IFAD Client Portal) will be implemented by year-end. The Procurement Manual was revised in 2015 to include delegation of low-value procurement to Division Directors.
53. On IT, mobile technologies to allow access to IFAD systems on the move have been implemented, including the first fully mobile application. A total of 28 ICOs are connected, with plans for further expansion in 2016. The Business Intelligence Operations Dashboard, with 12 key reports, was delivered in 2015 integrating information from the Grants and Investment Projects System (GRIPS), Flexcube and other corporate data sources.

E. Responses to IOE recommendations and learning theme

54. A comprehensive account of the follow up to (a) the recommendations from the 2015 ARRI and (b) the comments made by IOE on the 2015 RIDE, is provided in annex IV.
55. With regard to the learning theme of sustainability in the 2015 ARRI, Management notes the key drivers and limiting factors identified through the ARRI's analysis, and looks forward to engaging with IOE to identify effective modalities to ensure sustainability of achievements.
56. Management recognizes that sustainability has recurrently been an area of weak performance in IFAD operations. However, Management notes that, as reported in the 2016 RIDE, performance with respect to the sustainability of benefits has exceeded IFAD9 targets. The reasons behind such an improvement are: (i) early formulation and implementation of exit strategies, as recommended by IOE, with a clear definition of the roles and responsibilities of institutions mandated to take over activities after project completion, but also (ii) the increasing move towards country programme approaches with greater synergy between investments and non-lending activities in support of the scaling-up agenda.

III. Conclusions and recommendations

57. In all, the 2016 PRISMA covers 173 recommendations from 25 different evaluations, including the historical follow up of 12 evaluations. Substantial action has been taken on 94 per cent of the recommendations, of which 46 per cent have been fully implemented and 48 per cent have been initiated (ongoing). Only two recommendations are pending, due to force majeure. Historical follow up allows for adequate monitoring, given the long-term nature of the actions generally associated with recommendations classified as ongoing.
58. Management appreciates the importance and timeliness of most of IOE's recommendations and the crucial role played by independent evaluation in promoting learning and accountability. Management is committed to ensuring proper internalization of IOE's recommendations at the project, country and corporate level, as the knowledge generated from the evaluations and the

¹³ EB 2014/112/R.6/Rev.1.

¹⁴ Two impact assessments were still ongoing when the report was finalized, thus could not be included.

subsequent follow up on recommended actions contribute to IFAD's operational effectiveness and efficiency.

59. Recommendations. While Management acknowledges the efforts recently made by IOE to increase the practicality of the recommendations, it notes that recommendations have become more complex and tend to combine a large number of sub-actions, sometimes with questionable coherence or logic. With a view to facilitating the implementation of recommendations and maintaining a high level of transparency and accountability in the follow up of Management actions, Management suggests that a template for recommendations is discussed and agreed with IOE.
60. Management notes the number and diversity of evaluations conducted by IOE and their implications for the organization as a whole. They have resulted in 1,933 recommendations by IOE between 2006-2016 (see annex III) i.e. approximately 158 independent recommendations to be addressed by Management each calendar year since 2006. These figures are significant and suggest the need for thorough reflection on the number of independent evaluation products and recommendations produced by IOE. As mentioned above, Management highly values the independent analysis and recommendations by IOE, but underlines the need to rationalize these in the future to ensure that they are matched by adequate IFAD staff capacity and resources.

Comments of the Independent Office of Evaluation of IFAD on the 2016 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions

I. General observations

1. This is the thirteen edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) document submitted by IFAD Management to the Evaluation Committee and the Executive Board for their review. In accordance with the IFAD Evaluation Policy,¹⁵ the Independent Office of Evaluation of IFAD (IOE) hereby provides its comments on the report for consideration by the Committee and the Board. On a general note, IOE welcomes the PRISMA as a key instrument to strengthen organizational accountability and learning for better institutional and development effectiveness.
2. The 2016 PRISMA is a well-prepared and succinct document. It analyses the implementation status of the recommendations contained in 25 independent evaluations released in previous years. It also includes Management's responses to recommendations contained in last year's Annual Report on Results and Impact of IFAD operations (ARRI) and to IOE's comments on the Report on IFAD's Development Effectiveness (RIDE).
3. IOE acknowledges the strong follow-up of evaluation recommendations reported in the 2016 PRISMA, consistent with trends in recent years. This reflects Management's commitment to using independent evaluations to enhance organizational and operational performance. IOE also appreciates Management's recognition of the high value of independent analysis and recommendations by IOE.

II. Specific comments

4. Evaluations included in PRISMA. Paragraph 3 lists the 25 evaluations covered in this year's PRISMA. It includes 12 evaluations covered by previous editions of the PRISMA (i.e. "historical" follow up) and 13 new evaluations finalized in 2014 and 2015 with recommendations agreed prior to 30 June 2015. IOE takes this opportunity to draw Management's attention to the fact that next year PRISMA will have to report on implementation progress of recommendations from evaluation synthesis reports agreed before 30 June 2016.
5. Historical recommendations. IOE welcomes PRISMA's attention to the status of past recommendations for which full follow up was not possible in the year in which they were due to be reviewed in the PRISMA. In particular, IOE appreciates the reporting on recommendations from the CLE on IFAD's supervision and implementation support and the CLE on institutional efficiency and efficiency of IFAD-funded operations, and invites Management to include a second-round review of the CLE on the grants policy in future editions of PRISMA.
6. IOE recommendations that are not applicable. IOE appreciates Management's reporting on the implementation status of all evaluation recommendations, including those that are pending, considered not applicable or not agreed upon. The seven recommendations from the Albania PPA are classified as not applicable since there will be no new projects in Albania in the period of the Tenth Replenishment of IFAD's Resources (IFAD10). IOE believes that this classification could be reconsidered. Some of the recommendations could be reclassified as "pending" in view of their potential to inform future operations in the region and IFAD operations in general, even if they are not immediately applicable to the portfolio in Albania.

¹⁵ See paragraphs 11 and 31(i) of the revised IFAD Evaluation Policy (EC 2011/66/W.P.8).

7. Recommendations from ARRI not agreed upon. IOE recognizes Management's reconsideration of the IOE recommendation to prepare an exit strategy for each project well before completion (as requested by the Executive Board).¹⁶ However, IOE believes that in addition to the ongoing efforts described in PRISMA¹⁷ to ensure sustainability of benefits (making the scaling-up agenda more operational and increasingly moving towards a programme approach), a strategy is still needed to allow for advance preparation of an exit plan and the undertaking of a proper assessment of sustainability. Such a strategy would also clearly define the respective roles and responsibilities of the government, IFAD, community-based organizations and other players involved in post-project activities.
8. IOE believes that its recommendation to include specific and measurable indicators and targets for non-lending activities in all COSOP results measurement frameworks should be fully followed up. This would also respond to the need, underscored by the Executive Board,¹⁸ to define clearer ways of resourcing and mainstreaming non-lending activities and to develop corporate results measurement framework indicators to measure performance.
9. Template for recommendations. In paragraph 59, Management suggests that a template for recommendations be discussed and agreed with IOE, in order to make recommendations more readily implementable and to maintain a high level of transparency and accountability in the follow up of Management actions.
10. IOE understands the constructive nature of this recommendation. However, it wishes to remind Management of the Executive Board decision taken in 2015, whereby the Board, while fully appreciating the limits of IFAD's absorptive capacity, highlighted the importance of IOE sharing recommendations freely and without any constraints from Management, such as introduction of a cap on the number of recommendations per evaluation product or limitations on account of cost implications for the organization. A standardized format for recommendations would not be practical given the wide variety of evaluations produced by IOE in terms of scope and type. However, IOE will ensure rigorous internal quality assurance of all recommendations.
11. Recommendations commensurate with IFAD staff capacity and resources. In paragraph 60, Management notes the number and diversity of evaluations carried out by IOE and underlines the need to rationalize recommendations in the future to ensure that IFAD has adequate staff capacity and resources for follow-up action. IOE acknowledges this concern, but points out that while the number of recommendations might seem high, the majority of them come from country programme evaluations and project-level evaluations. Consequently, they are distributed across the five regional divisions of the Programme Management Department. This brings the number of evaluations to be addressed more in line with the absorption capacity of individual operational units.
12. Ultimately, the number and type of recommendations are closely related to the implementation performance and development results of IFAD's operations and processes.
13. Management recommendations to IOE. IOE would like to reiterate comments that it provided in last year's PRISMA which emphasized the role of IOE as part of IFAD's oversight framework. As such, Management is expected to respond to IOE recommendations and not the other way around, in line with the current normative as per the evaluation policy and the decisions of the Board. In December 2015, the Board noted that the PRISMA should remain an accountability document for Management and emphasized that no recommendations from Management to IOE should be contained therein.

¹⁶ EB 2015/116/INF.9.

¹⁷ PRISMA 2016, Vol. 1, annex IV, para. 1(b).

¹⁸ See footnote 16.

Evaluation recommendations by theme and nature (2016 PRISMA)

Table A
Evaluation recommendations by level and nature

<i>Level</i>	<i>Operational</i>	<i>Strategic</i>	<i>Policy</i>	<i>Total (number)</i>
IFAD corporate level	17	28	14	59
IFAD regional level	-	-	-	-
IFAD country/government	28	86	-	114
Government authorities and institutions	-	-	-	-
Project	-	-	-	-
Total (number)	45	114	14	173
Total (percentage)	26	66	8	100

Table B
Evaluation recommendations by theme

<i>Block</i>	<i>Theme</i>	<i>Number</i>
Targeting and gender	Targeting	14
	Gender	1
	Beneficiaries	1
	Organizations of the poor	-
Technical areas	Private sector and markets	12
	Natural resource management	5
	Analysis, studies and research	-
	Rural finance	2
	Infrastructure	1
	Training and capacity-building	4
Project management	Project design and formulation	5
	Decentralization	1
	Project management and administration	10
	Country presence	11
	Results measurement, monitoring and evaluation	17
	Supervision	10
Non-lending activities	Partnerships	11
	Policy engagement	11
	Knowledge management	6
	South-South and triangular cooperation	2
Cross-cutting	Efficiency	3
	Sustainability	3
	Innovation	-
	Replication and scaling up	4
	COSOP	12
	Governance	-
	Grants	-
	Strategy	7
Corporate	Human resources	5
	ICT	4
	Replenishment	11
Total		173

Long-term follow-up trends

Table A
Implementation status of recommendations by level (PRISMA reports 2006-2016)

<i>Level</i>	<i>Full follow-up</i>	<i>Not yet due</i>	<i>Ongoing</i>	<i>Partial</i>	<i>Pending</i>	<i>Not applicable</i>	<i>Not agreed</i>	<i>Total (number)</i>
IFAD	171	1	94	12	3	10	6	297
Region	25	3	8		1	6		43
Country	719	69	124	28	10	25	2	979
Government	75	27	20	7	18	4		151
Project	321	66	30	21	4	21		463
Total (number)	1311	166	276	68	38	66	8	1933
Total (percentage)	68	9	14	4	2	3	0	100

Table B
Implementation by regional divisions (PRISMA reports 2006-2016)

<i>Regional Division</i>	<i>Fully followed-up</i>	<i>Not yet due</i>	<i>Ongoing</i>	<i>Partial</i>	<i>Pending</i>	<i>Not applicable</i>	<i>Not agreed</i>	<i>Total (number)</i>
WCA	219	58	19	10	6	15	2	329
ESA	269	13	41	8	4	9	-	344
APR	322	37	51	18	15	23	-	466
LAC	201	47	62	13	4	6	-	333
NEN	154	10	18	8	6	8	1	205
Total (number)	1165	165	191	57	35	61	3	1677
Total (percentage)	69	10	11	3	2	4	0	100

Note: 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.

Responses to recommendations from 2015 ARRI and IOE comments on 2015 RIDE

I. ARRI 2015 recommendations

1. Last year the ARRI addressed 11 recommendations to Management. Of those recommendations, five were fully implemented, three are ongoing and three were not agreed upon in the Management response. The Management position and update on ARRI 2015 recommendations are as follows:

Sustainability

- (a) Project design report (PDR) to include section on sustainability: The PDR already includes a specific section on sustainability, as per the 2011 project design guidelines. Management is ensuring that due attention continues to be paid to sustainability in the report. Action fully followed up.
- (b) Preparation of exit strategy in each project well before completion. Management believes that there is no proven relationship between having an exit strategy and effective project sustainability. Efforts are ongoing to ensure that strategies for sustainability of benefits are mainstreamed in project design and implementation, i.e.: (i) making the scaling up agenda increasingly operational (see IFAD's Operational Framework for Scaling up Results); and (ii) increasingly moving towards a country programme approach addressing sustainability issues from a more systemic perspective. Recommendation not agreed upon.

Monitoring and evaluation

- (c) Separate M&E budget line. As part of IFAD's development effectiveness framework, Management will put measures in place to ensure that M&E budget lines are more visible. However, Management reiterates that rather than budget availability or visibility, the issue is one of budget execution for M&E, with complex incentives at play. Incentives for results-based management through COSOPs and non-lending work are increasingly being created. Action ongoing.
- (d) Baseline surveys at design or no later than 12 months after entry into force. Management believes that (i) surveys are not always needed to gather baseline data, a smarter use of existing data sources is often enough, and that (ii) it is often more meaningful and technically sound for baselines to be collected after start-up, when there is a clear sense of the specific eligibility criteria. That said, Management issued revised operational instructions in August 2015 to address the issue of unavailability of projects' baseline data according to which "all projects should have baseline data for most indicators before they are approved by the Board. For each indicator for which baseline data are not available at approval, specific justification is provided in the project design report and provisions to obtain such data within one year of entry into force are specified". Action fully followed up.
- (e) Sharpening indicators. Management is pursuing a few initiatives launched in 2015 to improve the selection and monitoring of indicators, such as: (i) enforcement of the new operational instructions on logframes; (ii) development of an M&E curriculum and certification programme for project staff; (iii) reform of the RIMS framework, including attention on nutrition and gender-disaggregated indicators; and (iv) development of a corporate online tool for logframe tracking. Action ongoing.
- (f) Specific and measurable indicators and targets for non-lending activities in all COSOPs results frameworks. Emerging evidence suggests that the impact of IFAD non-lending activities may be greater when

embedded in lending activities, Management is pursuing its efforts to ensure the use of SMARTer indicators and targets, including for non-lending activities, in project logframes. Recommendation not agreed.

- (g) Incentives and accountability provisions for staff on M&E. Budgetary rewards and public recognition by Senior Management for divisions producing the best logframes and the best quality (project completion reports) PCRs in a given year were introduced in 2015 and are being pursued. The corporate dashboard is operational and has currently 12 key reports that provide close to real-time information on project performance that can be used as an incentive for better performance. The responsibility for the PCR ratings has been devolved to the regional divisions. A new online results reporting system is being developed as part of the revision of the supervision and implementation support (SIS) guidelines; this will mean that changes made to the targets of the logframe indicators will be first approved by the responsible CPM and then cleared by the Division Director, in order to enhance ownership and accountability. Action ongoing.

IFAD country strategies

- (h) Realistic and achievable objectives in all COSOPs. The new IFAD Strategic Framework 2016-2025, approved in February 2016, highlights the need to ensure that COSOPs develop targeted and tailored country approaches that are realistic and achievable, customized to the context and built on the strengths of IFAD and its partners. Accordingly, the new COSOP guidelines have a specific focus on achievable and measurable outcomes, associated with COSOP strategic objectives that contribute to country goals. Action fully followed up.
- (i) COSOP to specify time frames, and link between lending and non-lending activities. In December 2015, Management issued the new COSOP guidelines defining COSOPs and country strategy notes (CSNs) as tools to achieve country-level objectives through the combination of lending and non-lending activities delivered by IFAD's support. The guidelines also confirm the need for COSOPs to clearly specify their duration. Action fully followed up.
- (j) Better account of estimated "costs" (both programme and administrative resources) in all COSOPs. Management disagrees for the following reasons: (i) although with limitations, COSOPs already contain an indication of key resources, from PBAS allocations to potential grant resources; (ii) the costs of implementing COSOPs and achieving the intended results go beyond IFAD resources, including resources from borrowers and partners; (iii) a significant part of non-lending resources used in COSOPs are contained within operations; (iv) estimating additional costs is particularly challenging in contexts that require flexibility or more reactive engagement; and (v) in the process of approval of COSOPs, quality reviews are in place to ensure that ambitions do not exceed existing resources. Recommendation not agreed upon.
- (k) COSOP completion reviews. According to Management's new guidelines on COSOPs, a COSOP completion review (CCR) is prepared within six months of COSOP completion. CCRs serve as a learning and accountability tool. Action fully followed up.

II. IOE's comments on 2015 RIDE

2. Management's response to IOE's comments on the 2015 RIDE is presented below.

- (a) Various suggestions to improve the quality of the report: The RIDE is the principal mechanism for communicating the Fund's performance to its governing bodies. Its main purpose is to provide a succinct account of progress relative to targets and commitments embodied in the results measurement framework (RMF) and commitment matrix agreed in the course of IFAD's replenishment consultations and approved by the Governing Council. The report performs this role well. The underpinning methodology for future reporting in the RIDE is outlined in the IFAD10 RMF and the definitions of the indicators therein. Reporting to Management on progress against targets and commitments in the commitment matrix is undertaken on a quarterly basis, and this is consolidated in the yearly reporting in the RIDE.

To further enhance the quality of the document, the RIDE learning focus is being strengthened with the inclusion of an annual learning theme. The 2015 RIDE referred to IOE comments addressed in the report. The same will be done for the 2016 edition. The RIDE includes a section titled "summary and conclusions".

- (b) Inconsistency between ARRI and RIDE in terms of reported results. While it has to be noted that the existing disconnect between PMD and IOE ratings is minimal, the new harmonization agreement currently under preparation will further reduce it. The harmonization agreement is planned to be finalized and presented to the Evaluation Committee in 2017. It is expected to ensure greater consistency within IFAD's self-evaluation system and its alignment with the independent evaluation systems, as well as to clarify and enhance the relationship and the communication between IFAD Management and IOE.
- (c) Disaggregation of results by rating category. Trends are presented in the RIDE by showing latest results alongside respective baselines. The RIDE reports on indicators as defined in the RMF, many of which are expressed as the percentage of projects that are moderately satisfactory or better, without disaggregating results by rating category. IFAD is fully aligned with international financial institution practice in this regard.
- (d) Quantitative evidence on performance in fragile states. The RIDE 2015 explains that 43 per cent of the projects assessed in the 2011-2013 PCR cohort were being implemented in fragile states, and that in spite of this large representation, the analysis shows no significant differences in performance between fragile and non-fragile states, in contrast to previous years' assessments. Since there is no significant difference in performance when compared to the data provided for non-fragile states, Management saw no need to show additional data. Management is aware of the need to customize IFAD's approaches and operating model to fragile situations and is currently working on an "Update on IFAD's approach to engagement in countries in fragile situations". The update was first discussed with the Executive Board in April 2016 and will be finalized and presented to the Board in December 2016.
- (e) Assessment of relevance and effectiveness of IFAD's country strategies, including non-lending activities (KM, partnership, policy dialogue). In 2015 Management introduced new operational instructions on country strategies. In line with Management's strengthened focus on results, all COSOPs are required to include a RMF. These will be updated and adjusted at regular intervals (usually every three years) to reflect changes in the context through an COSOP Results Review (CRR), and will be assessed at

completion through a CCR. Once a sufficiently representative number of CCRs have been undertaken, IFAD will be in a position to report on the relevance and effectiveness of country strategies, including non-lending activities such as KM, policy dialogue and partnerships, and the performance at completion.

- (f) Assessment of relevance and IFAD's performance as a partner. IFAD assesses the relevance of its operations, and IFAD's performance as a partner at completion through its completion self-assessment system, and it will continue to do so in the future. In IFAD10, IFAD will no longer report on these indicators in the RIDE as they are not included in the IFAD10 RMF. Nevertheless, Management will continue to closely monitor this important indicator, which will be captured not only at project but also at country level through the ratings matrix included in the CCR.