



Investing in rural people

Rome, 15 February 2024

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## **Management response to the MOPAN Assessment of IFAD (2023)**

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## **Contents**

<b>I.</b>	<b>Introduction</b>	<b>1</b>
<b>II.</b>	<b>Areas of strength</b>	<b>1</b>
<b>III.</b>	<b>Areas for improvement</b>	<b>2</b>
<b>IV.</b>	<b>Conclusion</b>	<b>4</b>

# **Management response to the MOPAN Assessment of IFAD (2023)**

## **I. Introduction**

1. IFAD welcomes the findings of the Multilateral Organisation Performance Assessment Network (MOPAN) assessment performed in 2023, which provide useful feedback to sharpen implementation of its business model during the current and future replenishment cycles. While self and independent evaluation are critical for accountability and learning, external assessments such as the ones done by MOPAN add to the credibility and relevance of the institution. Furthermore, they provide an outside-in perspective on a wide range of internationally recognized topics and criteria, which allows IFAD to adopt a holistic view and strategically fine-tune performance.
2. This assessment covers the period from 2018 to 2023, coinciding with a challenging global context marked by the COVID-19 pandemic, as well as a food security crisis that required increased efforts at organizational and operational levels to steer IFAD's programmes on the ground. This period also coincided with IFAD's institutional transformation, which entailed expanding its mandate to cover a wider range of mainstreaming themes, while shifting from a country presence model to a decentralized model. Management appreciates the report's overall finding that amid this challenging context, IFAD made progress in each of the areas identified by the previous MOPAN assessment (2017–2018) related to efficiency and effectiveness, which are crucial to ensure robust delivery towards its goal and mandate.
3. Management also notes the change in the methodology applied with this assessment, and its acknowledgement of IFAD's unique status as both a United Nations entity and an international financial institution. Rather than comparing this report with the previous MOPAN assessment of IFAD, or with those of other organizations, the findings emerging from this report serve as a new baseline to measure IFAD's performance, after the external and internal changes having occurred between 2018 and 2023.
4. Management greatly appreciates the excellent collaboration with the MOPAN secretariat and recognizes the assessment team for their thorough work, as well as the institutional leads (Canada, Finland and France) for their leadership. Management also would like to acknowledge all the IFAD staff who engaged in the assessment by providing timely data and evidence of IFAD's performance. The intense and condensed process enabled the completion of the MOPAN assessment of IFAD within one year, considerably shorter than other comparable MOPAN assessments. This allowed IFAD to learn from the assessment while developing the business model for the Thirteenth Replenishment of IFAD's Resources (IFAD13). Consequently, plans for the IFAD13 period call for addressing areas for improvement and building on the strengths identified.

## **II. Areas of strength**

5. Management appreciates the satisfactory and highly satisfactory ratings assigned to IFAD on 11 out of 12 key performance indicators. These include IFAD's relevance to partners, achievement of results, evidence-based planning and programming, transparent results focus, organizational architecture and financial framework, operating model and resources, cross-cutting issues and sustainability, among others. These results are especially significant given the revised MOPAN assessment methodology, which introduced a more stringent rating scale.

6. One key area of strength is IFAD's niche and critical role in the global aid architecture. The assessment finds IFAD's mandate highly relevant with its unique focus on poor rural men and women, increased allocations to countries in fragile situations and role as a catalyser of climate change finance to benefit rural poor people. The report also highlights IFAD's responsiveness to global challenges and ability to deliver on targeted, concrete commitments to tackle them. The COVID-19 crisis has brought to light the importance of agility as a critical attribute for any international development organization. With its immediate response measures, and medium and long-term livelihood rebuilding approach, IFAD has proved to be a proactive organization that adapts to change.
7. The assessment notes that IFAD has the right policies and strategies in place to support its mandate and commits resources in line with its goal and priorities. At the same time, IFAD places significant emphasis on consultations with beneficiaries and national governments throughout the operational life cycle. It also has a strong results culture with robust results management in place, supported by a highly performing independent evaluation function. These strengths make IFAD a reliable and trustworthy partner in the global architecture on agriculture and rural development.
8. Management also notes the significant progress made on critical areas for improvement identified in the previous MOPAN assessment, which include targeting strategies, institutional capacity analysis, human rights, good governance in designs, knowledge management, and a more systematic integration of performance and lessons learned in programmes. IFAD will continue to invest and facilitate further growth in these areas as accelerators of results and impact on the ground.

### III. Areas for improvement

9. The assessment highlights important areas for improvement and acknowledges that actions are already under way to improve performance. This affirms IFAD's proactive response to external assessments. Furthermore, this verifies that IFAD's internal assessment architecture (encompassing both self- and independent evaluation) is robust and effectively supports adaptive management and learning. The main areas for improvement presented in the assessment and an overview of Management's ongoing actions to address them are summarized in this section.
10. **Improving disbursement rates and minimizing implementation delays to improve project efficiency.** This is a critical area of focus under IFAD's overall programme management and is a high priority. As an IFAD12 commitment, the Fund implemented an efficiency action plan to improve performance at project level. Furthermore, IFAD has invested significantly in strengthening the project procurement architecture as a key driver for efficiency, coupled with more accurate disbursement forecasting and planning. Efforts are ongoing to ensure better procurement planning at design and strengthening the capacity of project management units and IFAD staff in procurement. The Online Project Procurement End-to-End System (OPEN) for borrowers also will enhance efficiency and transparency and accelerate disbursements. However, exogenous factors like the remaining impacts of COVID-19, political instability and the global economic crisis have delayed project implementation and disbursements during the review period. Under IFAD13, IFAD commits to an increased share of multi-phased approaches, which ensure shorter start-up times and are more efficient to implement.
11. **Increasing budget allocation to critical activities in operations.** This is a high priority, as testified by the increased allocations to country programme delivery in 2023 and 2024. IFAD also invested in bringing the workforce closer to country clients and beneficiaries, which helped to better reflect country priorities and local conditions in country strategic opportunities programmes (COSOPs) and project design, improve project supervision, and strengthen linkages with

beneficiary organizations and subnational government agencies. Notably, the review period covers the COVID-19 period, during which budgets were reduced significantly due to travel restrictions. Therefore, budget reductions do not necessarily indicate less attention to operations, especially as many divisions contribute indirectly to operations by fostering innovation and learning. Nonetheless, Management fully concurs with continuing to prioritize budget allocation to operations, especially given increased Member State demand, growing complexity and worsening fragility.

12. **Increasing selectivity within programmes, strategic partnerships (including joint monitoring and evaluation [M&E]) and organizational decision-making in line with the mandate and resources.** The assessment recognizes the successful roll out of the partnership framework and collaboration with the other United Nations Rome-based agencies (RBAs). The report identifies weak coordination and joint assessments as areas for improvement. Given limited resources, IFAD agrees with strategically prioritizing partnerships based on its comparative advantage and is focusing on high priority engagements. The Fund also instituted a new supplementary funds management strategy to prioritize activities and avoid spreading resources too thinly. At country level, IFAD actively engages with other multilateral development banks and RBAs where there is a distinct and strategic partnership opportunity to improve impact. IFAD's high international cofinancing ratio is a manifestation of these positive partnerships. Joint assessments or joint M&E are only feasible where there is joint programming in cofinanced operations or joint country programmes.
13. **Strengthening activities to improve staff well-being.** IFAD's workforce is key to any results the institution achieves. IFAD has recently introduced several internal initiatives to strengthen workplace culture and improve staff satisfaction, including the provision of flexible working arrangements. Learning from experience, and building on the 2023 independent evaluation on decentralization, the D2.0 recalibration plan places a strong focus on managing communications and ensuring staff well-being throughout the decentralization process. IFAD adjusted its reassignment exercise to be more strategic and provide better predictability for staff. Efforts on recruitment are also ongoing: the vacancy action plan effectively brought down the vacancy rate from 16.8 to 10.7 per cent in 2023, well within the 12 per cent set as the relevant key risk indicator.
14. IFAD also adopted a more structured approach to onboarding, with a clear roadmap to support new hires and those moving to new duty stations. The results of the 2023 decentralization effectiveness survey, which assesses the quality of corporate services provided by IFAD and local hosting agencies to IFAD staff based in field duty stations, indicated an overall satisfaction rate of 86 per cent, well above the 80 per cent target.
15. Moreover, in 2023, IFAD adopted a proactive approach to cultivating a positive workplace culture, reflecting the aim of inclusivity and employee well-being. For example, workshops and training on stress management and building resilient cultures were provided, with special attention to staff in decentralized offices. To streamline processes, departments recorded greater delegation of authority, and technology development was strategically directed to foster efficiency.
16. **Strengthening IFAD's policy on protection from sexual exploitation and abuse (SEA) and its implementation.** IFAD welcomes the addition of SEA and sexual harassment (SH) prevention and response as new criteria for the MOPAN assessment. The report rates SH prevention and response as satisfactory, while SEA prevention and response should be strengthened. Management acknowledges the limitations highlighted in the report, which are linked to the intrinsic nature of IFAD's business model. As recognized in the MOPAN inception report, while IFAD is a United Nations entity, it has a unique business model and functions as an

international financial institution. The nature of its work is quite different to that of other United Nations entities, which implement programmes either directly or by directly hired implementing partners. IFAD instead works with national governments, which exclusively hire the implementing partners based solely on national procedures. Therefore, IFAD has limitations regarding SEA response in relation to such implementing partners, which fall within the jurisdiction of the national governments and their laws and procedures.

17. Notwithstanding the above limitations, IFAD manages SEA risks through its financing instruments and agreements and in line with SEA/SH prevention, procurement and Social, Environmental and Climate Assessment Procedures (SECAP) policies. IFAD has introduced strict control frameworks into its financing, SECAP and procurement policies, and instruments with its fund recipients. This includes specific clauses and triggers in financing agreements with the possibility of cancellation or suspension of financing. While the policy may not be fully victim-centred, a large share of IFAD projects are community-based development and take into consideration the community as well as indirect beneficiaries. Otherwise, IFAD's targeting policy ensures that beneficiaries are the most vulnerable members of the community. Based on the above, IFAD's policies on SEA are strong and in line with those of other international financial institutions.
18. The risk of SEA still exist in projects and programmes in spite of IFAD's policy; hence the Fund acknowledges the importance of raising awareness and being victim-centric, as well as the need for continuous improvement. IFAD will intensify outreach efforts through targeted training and sensitization programmes to actively engage and empower project beneficiaries. These initiatives will educate and empower beneficiaries about their rights, fostering a culture of awareness and accountability within IFAD projects including on SH and SEA. IFAD will maintain its commitment to ensure the well-being and dignity of all individuals involved in its initiatives.

#### **IV. Conclusion**

19. As IFAD enters its thirteenth replenishment cycle, the insights from this assessment will help Management fine-tune its implementation. Management is confident that through the implementation of IFAD13 and with further consolidation of the effects of past reforms, IFAD will improve its efficiency and effectiveness and maximize its impact and contribution to the 2030 Agenda.