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**IFAD's 2024 results-based programme of work, regular and capital budgets, and budget outlook for 2025–2026, and IOE's results-based work programme and budget for 2024 and indicative plan for 2025–2026, and the HIPC, PBAS and BRAM progress reports**

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# Contents

<b>Executive summary</b>	<b>ii</b>
<b>Part one – IFAD’s 2024 results-based programme of work, regular and capital budgets, and 2025–2026 budget outlook</b>	<b>1</b>
<b>I. Introduction</b>	<b>1</b>
<b>II. Context</b>	<b>1</b>
A. Update on the 2023 programme of loans and grants	4
B. 2023 regular budget utilization and carry-forward	4
<b>III. 2024 programme of work</b>	<b>6</b>
<b>IV. 2024 IFAD’s regular budget</b>	<b>7</b>
A. Prioritization and trade-offs	7
B. Budget parameters and assumptions	10
C. Staff budget	12
D. Non-staff budget	14
E. Net and gross regular budget proposal	14
F. Efficiency ratios	19
<b>V. 2024 capital budget</b>	<b>21</b>
<b>VI. 2025–2026 budget outlook and way forward</b>	<b>22</b>
<b>Part two – Results-based work programme and budget for 2024 and indicative plan for 2025–2026 of the Independent Office of Evaluation of IFAD</b>	<b>23</b>
<b>Part three – Enhanced Heavily Indebted Poor Countries Initiative progress report for 2023</b>	<b>35</b>
<b>Part four – Progress report on implementation of the performance-based allocation system and the Borrowed Resource Access Mechanism, and 2024 lending terms</b>	<b>40</b>
<b>Part five – Recommendations</b>	<b>43</b>
<b>Draft resolution .../xxxxx</b>	<b>44</b>

## Annexes

I. Indicative list of countries with projects in the pipeline for 2024 (new projects and additional financing for ongoing projects)	
II. Capital budget, 2016–2023	
III. 2023 Carry-forward funds allocation	
IV. IOE Results Management Framework for 2023	
V. IOE proposed evaluation activities for 2024	
VI. IOE’s indicative plan for 2025–2026	
VII. IOE products	
VIII. Examples of feedback from governing bodies and from Management received by IOE	
IX. Summary infographic	

## Executive summary

1. In the context of global efforts to eradicate poverty and hunger by 2030, significant challenges have arisen due to conflicts, climate change and the lingering effects of COVID-19. The ongoing global challenges, including the formidable issues of climate change and fragility, underscore the continued relevance of IFAD's mission and work.
2. In preparation for finalizing the delivery of the commitments of the Twelfth Replenishment of IFAD's Resources (IFAD12) and laying the foundation for IFAD13 in 2024, IFAD is focusing on addressing climate and food security challenges and enhancing resilience in diverse contexts. The organization is prepared to scale up its impact and make a substantial contribution to combating poverty and hunger: the 2024 budget proposal is aligned with these goals.
3. To deliver on IFAD's ambition and paving the way for IFAD13, a recalibration of the regular budget is being proposed for 2024, which embeds a moderate real increase of 1.7 per cent, lower than presented in the preview (1.9 per cent) and lower than the increases of recent years.
4. While keeping a strong focus on results, Management has undertaken a meticulous prioritization and trade-off process for the 2024 regular budget, encompassing a comprehensive assessment of corporate needs and identifying critical areas for investment while ensuring that essential operations are not compromised.
5. The budget strongly emphasizes prioritizing programme delivery and impact, supervision and addressing fragility challenges along with the frontloading of decentralization costs to support increased country presence and the establishment of new regional offices for the Asia and the Pacific Division (APR) and Latin America and the Caribbean Division (LAC), aligning with IFAD12 programmatic commitments.
6. Greater granularity has been provided through an in-depth assessment of resource needs, budget assumptions and valuation of incremental requirements for impactful initiatives.
7. Similarly, trade-offs and cost savings on various activities have been carefully identified and weighed, up to a total amount of US\$3.18 million. These savings will be reinvested in key areas to foster growth, leading to net incremental requirements of US\$2.99 million, financed through real growth. The budget also provides detailed insight into one-time and recurrent costs related to decentralization, enhancing the predictability of the budget trajectory.
8. The 2024 regular budget is proposed at US\$183.41 million, representing a 4.4 per cent nominal increase vis-à-vis the 2023 approved budget.
9. The gross budget proposal for 2024 amounts to US\$193.13 million (US\$183.41 million regular budget and US\$9.72 million supplementary funds) compared with US\$184 million (US\$175 million and US\$8.3 million) in 2023. Approval is being sought only for the proposed 2024 net regular budget of US\$183.41 million.
10. Compared to the previous year, the 2024 budget presents improvements in the resource allocation process, showing an increased apportionment of approximately 57.3 per cent (55 per cent in 2023) of the entire administrative budget to direct costs, i.e. towards activities directly linked and traceable to a programme or project.
11. IFAD is expected to utilize 97.7 per cent of its 2023 regular budget. This would result in a carry-forward allocation of approximately US\$4.04 million, which is in line with the Executive Board request for IFAD to return to a carry-forward level of 3 per cent.

12. For 2024, a capital budget envelope of US\$6.1 million is proposed, to cover cyclical or business continuity capital expenditures, corporate priorities and strategic focus areas and other cross-cutting initiatives. Major areas for investment in 2024 include the establishment and enhancement of IFAD regional and country offices (ICOs) and the enhancement of IT applications dedicated to programme delivery monitoring and project procurement.

# **IFAD's 2024 results-based programme of work, regular and capital budgets, and budget outlook for 2025–2026, and IOE's results-based work programme and budget for 2024 and indicative plan for 2025–2026**

## **Part one – IFAD's 2024 results-based programme of work, regular and capital budgets, and 2025–2026 budget outlook**

### **I. Introduction**

1. **This document presents Management's proposal for IFAD's 2024 results-based regular and capital budgets.** Based on consultations on the high-level preview with the Executive Board at its last session and an informal seminar held on 9 October focused on a progress update on IFAD's decentralization process, the 2024 budget includes enhancements in the following categories and aspects of the overall 2024 resourcing proposal:
  - **Strategy, results focus and prioritization.** As 2024 is the final year of the IFAD12 cycle (2022–2024) and the stepping stone to IFAD13 (2025–2027), the Fund will continue to prioritize and focus efforts on meeting the IFAD12 commitments, while also laying the groundwork for IFAD13. For this reason, programme delivery and impact, with particular attention to supervision and implementation support and to integrating and addressing fragility challenges, and decentralization, for an expanded regional and country presence, are among the primary cost drivers of the 2024 regular budget.  
  
In line with commitments to contain levels of real growth, Management has made concerted efforts, through strategic prioritization and the identification of trade-offs, to reduce the level of real growth from that presented at the 139<sup>th</sup> session of the Executive Board in September 2023.
  - **Direct and indirect cost allocation.** In 2023, IFAD's budget was redesigned and reclassified into direct and indirect costs based on the principles of enhanced efficiency and resource management. Further improvements in the resource allocation process and through strategic prioritization of needs have resulted in an increased apportionment of IFAD's regular budget (+ 2.3 per cent) to direct costs, i.e. towards activities directly linked and traceable to a programme or project and to benefits derived by programme or project beneficiaries. In 2024, approximately 57.3 per cent (55 per cent in 2023) of the regular budget will finance direct costs.
2. **The document is organized as follows:** Section II introduces the planning context and provides an overview of 2023 budget implementation. Section III introduces the 2024 programme of work. Section IV presents the proposal for IFAD's 2024 net regular budget. Section V introduces the capital budget. Section VI provides the way forward.

### **II. Context**

3. The global quest to eradicate poverty and hunger by 2030 has faced significant setbacks in recent years, due to ongoing conflicts, the impact of climate change and the lingering effects of COVID-19. These challenging trends coincide with pre-existing structural obstacles, rising inflationary pressures and escalating worldwide debt burdens.
4. These factors are unravelling the progress made in development over the past decades and placing millions of vulnerable individuals at greater risk of poverty and

hunger. The alarming figures reported in the State of Food Security and Nutrition in the World report (SOFI 2023)<sup>1</sup> underscore the urgent need for organizations to intensify their efforts and align them more effectively with the 2030 Agenda for Sustainable Development.

5. Key common outcomes of the Food Systems Stocktaking Moment, COP28 and the Africa Food Systems Forum (AGRF) 2023 Summit underscore the importance of agroecology for food systems transformation and sustainable agricultural practices in addressing climate change and food security challenges.
6. Vulnerable small-scale farmers residing in rural areas, who are responsible for producing half of the world's food calories, are particularly susceptible to food insecurity and deterioration of food systems. Moreover, the link between agricultural transformation and climate action is becoming particularly strong and evident, while new financial mechanisms must be leveraged to support last-mile infrastructure development, climate-smart agricultural practices and policy reforms, ultimately contributing to food and nutrition security across the world.
7. IFAD's support is pivotal in this endeavour. To effectively combat poverty and hunger and amplify its impact, IFAD needs to expand and enhance its programmatic and financial offerings to better address the increasingly complex needs of borrowing nations, and in order to do so IFAD needs adequate internal capacity and resources.

### **Implementing IFAD12 and transitioning to IFAD13**

8. In 2024, IFAD is poised to embark on a series of pivotal activities aimed at finalizing the delivery of IFAD12 commitments and laying the foundation for IFAD13. This represents a critical milestone for attaining IFAD's 2030 Agenda targets, given the multi-year duration of its programmes and the time lag associated with producing impactful results.
9. With a dedicated focus on fostering inclusive and sustainable rural transformation, IFAD has approved policies, strategies and operational guidance tools designed to enhance its impact, particularly in fragile contexts and climate vulnerable situations. This will be the focal point of operations in 2024 and during the IFAD13 period.
10. To bolster resilience, IFAD aims to adopt a more structured approach to addressing fragility. This will entail frequent in-depth assessments of fragile systems and results reviews, along with the development of internal expertise to enhance the understanding of fragility and provide increased support to country teams in operational delivery.
11. Overall, concerted efforts and resources will be directed towards ensuring the quality of the ongoing portfolio following the slight dip during and after COVID-19. This will entail a strengthened focus on fiduciary issues, problem projects, potential problem projects, projects with high risk, and projects classified by IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) as having high and substantial risk; and on project management including results-based planning and monitoring and evaluation (M&E). Additionally, continued attention will be devoted to strengthening the culture of results and impact within country programmes, promoting data utilization, transparency and alignment and advancing on the mainstreaming agenda encompassing climate, biodiversity, nutrition, gender and youth.
12. Furthermore, focus will be placed on forging partnerships, engaging in policy dialogues, and fostering innovation and knowledge-sharing in the context of IFAD's

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<sup>1</sup> As reported by the State of Food Security and Nutrition in the World report ([SOFI 2023](#)), global hunger, as measured by the prevalence of undernourishment, remained relatively stable from 2021 to 2022. However, it remains significantly above pre-COVID-19 pandemic levels, affecting approximately 9.2 per cent of the world's population in 2022 compared to 7.9 per cent in 2019.

thematic mainstreaming areas, while pivoting the knowledge function towards technical assistance requested by countries to increase the effectiveness of IFAD projects and country presence.

13. IFAD's ability to increase investments in agriculture and influence global policy processes relies on its credibility with Member States and partners, its presence in prioritized global forums, and overall visibility and recognition of its comparative advantage. In 2024, IFAD will consolidate hard fought gains in reputation, visibility, resource mobilization and global positioning through careful planning and prioritization. There will be continued investment in IFAD's strong, trusted relationships with Member States and its governing bodies, and efforts to mobilize more financial resources from diversified sources.
14. The institutional transformation process is at the heart of the IFAD12 business model, and the principle of proximity is crucial to enable IFAD "to deliver a more comprehensive financial, policy-oriented and programmatic package that works in a synergistic manner to foster systemic change".<sup>2</sup>
15. The 2022 and 2023 regular budgets prioritized investment for the decentralization process and allowed important progress to be made, while continuing support to programme delivery and other business processes within IFAD.
16. The 2024 regular budget proposal will fully resource the recalibrated decentralization plan, which embeds lessons learned and recommendations from the corporate-level evaluation on decentralization (2023).
17. IFAD is on track to meet the agreed decentralization timeline. The target of 45 per cent staff positions in the field will be surpassed within this timeframe (approximately 48.2 per cent of the overall IFAD staff positions will be field-based). A revised total number of 47 field offices will be operational in 2024, including the set-up and staffing of the new regional office for the Asia and Pacific Region (APR) in Thailand, the establishment of a Latin America and the Caribbean (LAC) regional office, upgraded ICOs in Cambodia and the United Republic of Tanzania, and a newly opened ICO in Benin. IFAD's presence in high-intensity conflict-affected countries will continue to be assessed for viability, and has therefore been deferred.
18. Costs related to the recalibrated decentralization plan include one-time and recurrent costs, including staff complements, for the new and upgraded ICOs and for the regional offices. These will house the relevant regional teams, as well as colleagues from the Communications Division (COM), Corporate Services Department (CSD), Financial Management Services Division (FMD) and Strategy and Knowledge Department (SKD) (with enhanced human resource capacity).
19. Management is also poised to enhance organizational capacity, effectiveness and institutional efficiency through organizational reengineering. This strategic approach will ensure that IFAD headquarters is fit for purpose considering the Fund's increasingly decentralized structure.
20. In response to increased costs and budget requirements to frontload decentralization efforts and ensure that investments are primarily directed towards country programme design and delivery, IFAD has sought cost reductions and trade-offs to contain the extent of real growth. A robust prioritization process enabled IFAD to effectively respond to the growing demands placed upon it and further reduce the real increase from the one presented in the high-level budget preview.
21. Going forward, during the IFAD13 period, the organization will build upon the transformative changes initiated in IFAD12 to double IFAD's impact while ensuring financial sustainability. The emphasis remains on IFAD's core mandate, universality

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<sup>2</sup> [GC 44/L.6/Rev.1.](#)

and areas of comparative advantage, which are crucial in the current global landscape.

22. By prioritizing its core mandate in IFAD13, IFAD addresses climate and food security challenges while enhancing resilience in diverse country contexts. Throughout the remainder of IFAD12 and into IFAD13, IFAD will continue to pursue these ambitious goals and secure the requisite resources to realize them.

## **A. Update on the 2023 programme of loans and grants**

### **Projected delivery for 2023**

23. By the end of 2023, 21 new projects/programmes and 12 additional financing proposals are expected to have been approved for a total of US\$911 million.<sup>3</sup> The Fund continues to focus on agility in resource utilization, implementing its [Policy on Project Restructuring](#) by repurposing funds for well-performing operations; and efficiency in designing operations over more than one cycle of the performance-based allocation system (PBAS), particularly for countries with small allocations.

### **Portfolio**

24. As at 14 September 2023, there were 197 operations under implementation for a value of US\$8.1 billion. The active grant portfolio comprises 49 grants valued at US\$83 million.
25. The high-level distribution of the current portfolio by macro area is as follows:

Table 1

#### **High-level distribution of the current portfolio by macro area**

<i>Macro area</i>	<i>Percentage</i>
Access to markets	31
Production sectors	25
Policy and institutions	15
Programme management	13
Inclusive rural finance	11
Environment and natural resources	3
Social services	2
<b>Total</b>	<b>100</b>

Source: Grants and Investment Projects System as at 14 September 2023.

## **B. 2023 regular budget utilization and carry-forward**

### **2022 actual utilization**

26. In 2022, regular budget utilization reached US\$162.53 million or 97.4 per cent of the approved regular budget. The higher execution rate compared to 2021 is mainly due to the gradual return to pre-pandemic business levels with increased programme delivery and operations-related costs. The resulting 2022 carry-forward envelope was set at approximately US\$4.34 million (2.6 per cent of the 2022 regular budget), in accordance with the 3 per cent carry-forward ceiling.

Table 2

#### **Regular budget utilization – actual 2021–2022 and forecast 2023**

(Millions of United States dollars)

	<i>2021 full year</i>		<i>2022 full year</i>		<i>2023 forecast</i>	
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Forecast</i>
Regular budget	159.41	151.95	166.93	162.53	175.71	171.72
<b>Percentage utilization</b>	<b>95.3</b>		<b>97.4</b>		<b>97.7</b>	

<sup>3</sup> Actual figures, by year-end 2023, were 13 new projects/programmes and 7 additional financing proposals approved for a total of US\$529 million. Future documents will reflect as appropriate any adjustment related to such actual figures.



**2023 forecast**

27. Based on actual budget utilization as of the end of the third quarter, 2023 budget utilization is projected to reach US\$171.72 million or 97.7 per cent.
28. Rigorous monitoring of budget execution has been undertaken throughout 2023, including quarterly discussions at the Executive Management level. This has facilitated strategic and timely Management decision-making over the use of budgetary resources, resulting in enhanced efficiency and effectiveness of IFAD's budget management and resource allocation.
29. The increased execution levels observed across departments in 2023 can be attributed to the consistent utilization of IFAD's vacancy pool resources. These resources served a dual purpose: supporting the Human Resources Division (HRD) in expediting the recruitment process for vacant positions and providing divisions and departments with the necessary resources to hire short-term staff and non-staff (consultants) for temporary coverage of vacant positions.<sup>4</sup>

Table 3

**Regular budget usage by department, 2022 actual, 2023 budget and 2023 forecast**  
(Millions of United States dollars)

<i>Department</i>	<i>Actual 2022</i>	<i>Budget 2023</i>	<i>Forecast 2023</i>	<i>Percentage forecast 2023 vs. budget 2023</i>
Office of the President and Vice-President (OPV)	2.79	3.17	3.08	97.29
Corporate Services Support Group (CSSG)	11.70	12.08	11.73	97.10
External Relations and Governance Department (ERG)	17.90	17.94	17.52	97.66
Strategy and Knowledge Department (SKD)	19.59	19.65	19.15	97.43
Programme Management Department (PMD)	61.58	63.06	61.75	97.92
Financial Operations Department (FOD)	13.25	13.74	13.48	98.11
Corporate Services Department (CSD)	30.34	35.73	34.84	97.53
Corporate cost centre	9.78	10.33	10.16	98.32
<b>Total</b>	<b>166.93</b>	<b>175.71</b>	<b>171.72</b>	<b>97.73</b>

**2023 carry-forward allocation and actual utilization**

30. The carry-forward rule, which has been in effect since 2004, allows for any unutilized appropriation at financial year closure to be carried forward into the subsequent fiscal year, provided that the amount does not exceed 3 per cent of the previously approved annual budget.
31. 2022 carry-forward funds were allocated to the following priority areas:<sup>5</sup>
- (a) IFAD13 campaign: amplifying engagement, communication, advocacy and partnership initiatives with Member States, donors and relevant organizations;
  - (b) Participation in COP28: costs associated with increased visibility, including costs associated with pavilion design and technical infrastructure;
  - (c) Decentralization: costs arising primarily from rent increases for some field offices, as part of the decentralization process;
  - (d) Innovation challenge: supplemental funding allocated to support various innovation initiatives; and
  - (e) Other unfunded priorities: resources allocated to address various unfunded priorities for 2023. This includes impact assessment studies and operations, commitments related to the Food Systems Summit, as well as project procurement, loan disbursement and internal projects, meetings and procedures reviews.

<sup>4</sup> See page 10, paragraph 38, of [EB 2022/137/R.3](#).

<sup>5</sup> See annex III.

### III. 2024 programme of work

32. At present, a record number of 38 new projects and programmes, and 11 additional financing proposals, are in the pipeline for approval during 2024 (see annex I) for a total of US\$1.5 billion. Financing of the 2024 programme of loans and grants (PoLG) is expected to comprise 56 per cent from the PBAS and 44 per cent from countries availing themselves of the Borrowed Resource Access Mechanism (BRAM), representing a significant increase in the pace of uptake. The majority of the designs will be completed in 2023 or early 2024 for presentation to the Executive Board during the course of the year, and other operations are being identified to ensure that the updated target set for IFAD12 is achieved, including those related to international and domestic cofinancing.
33. It should be noted that the PoLG figures cited in this document relate to operations financed by resources in the current cycle as presented in the Resources Available for Commitment (RAC) document, and fully or partially cancelled loans or grants from previous cycles.
34. In addition, IFAD will continue its efforts to mobilize supplementary funds, particularly from climate financing, to support ongoing and standalone operations.
35. The estimated number of global, regional and other grants in 2024 is 12.

Table 4

#### Actual and projected PoLG

(Millions of United States dollars)

	Actual <sup>a</sup>			Forecast <sup>b</sup>	Planned
	2020	2021	2022	2023	2024
IFAD loans (including loan component grants) and Debt Sustainability Framework grants	783	1 026	881	911	1 525
IFAD grants	30	15	3.4	23	13
Rural Poor Stimulus Facility <sup>c</sup>	40	-	-	-	-
Non-sovereign operations	25	-	-	-	-
IFAD Climate Facility	-	10	-	-	-
<b>Total IFAD PoLG<sup>d</sup></b>	<b>878</b>	<b>1 051</b>	<b>884</b>	<b>934</b>	<b>1 538</b>
Other funds under IFAD management <sup>e</sup>	93	336	241	383	192
<b>Total PoLG</b>	<b>971</b>	<b>1 387</b>	<b>1 125</b>	<b>1 318</b>	<b>1 730</b>
Cofinancing, international (net of IFAD-managed cofinancing) and domestic	1 041	2 012	959	2 398	3 188
<b>Total PoW</b>	<b>2 012</b>	<b>3 399</b>	<b>2 085</b>	<b>3 716</b>	<b>4 918</b>
<b>Portfolio under implementation<sup>f</sup></b>	<b>8 608</b>	<b>7 727</b>	<b>8 640</b>	<b>8 468</b>	<b>7 851</b>

<sup>a</sup> Source: Grants and Investment Projects System as at 14 September 2023. Current amounts reflect any increase (decrease) in financing during implementation, including additional domestic and international cofinancing.

<sup>b</sup> Other funds managed by IFAD, including under the Adaptation for Smallholder Agriculture Programme (ASAP), Global Environment Facility, Least Developed Countries Fund, Global Agriculture and Food Security Programme, European Commission and European Union, and the Green Climate Fund (GCF), in addition to bilateral supplementary and complementary grants. Actual numbers recalibrated following system alignment.

<sup>c</sup> Includes US\$1.2 million from the Regular Grants envelope earmarked for the Climate Finance Design Gap 2021, to cover GCF design costs, US\$2.0 million utilized to fund the multi-donor African Agricultural Transformation Initiative Trust Fund and US\$2.0 million seed money for the IFAD Fund for Gaza and the West Bank.

<sup>d</sup> IFAD's PoLG includes funds cancelled and repurposed from previous cycles.

<sup>e</sup> Including under the ASAP, the Spanish Trust Fund, Global Environment Facility Least Developed Countries Fund, Global Agriculture and Food Security Program, European Commission and European Union, and GCF, in addition to bilateral supplementary and complementary grants.

<sup>f</sup> 2022 and 2023 projected figures for the portfolio under implementation are based on data available as of mid-March 2023 on the assumption that all concerned projects are approved, enter into force and are completed as currently planned.

## IV. 2024 IFAD's regular budget

### A. Prioritization and trade-offs

36. IFAD Management has fine-tuned its estimates for the 2024 regular budget based on detailed submissions from IFAD departments and a comprehensive assessment of critical corporate needs. An in-depth review of priority requirements has identified initiatives and key areas of investment as well as activities to be potentially recalibrated and de-scoped, while ensuring that mandated and mission-critical operations are not compromised.
37. As a result of this rigorous process, the 2024 regular budget proposal envisages a revised real growth rate of 1.7 per cent, which represents a slight reduction from the projected scenario of 1.9 per cent as presented in the high-level preview.
38. The estimated budget for 2024 places a strong emphasis on prioritizing programme delivery and impact, with particular attention to supervision and implementation support as well as integrating and addressing fragility challenges.
39. The decentralization process remains pivotal in ensuring results on the ground and impactful operations. In line with IFAD12 programmatic commitments,<sup>6</sup> IFAD's increased country presence over the next three years, including regional, multi-country and country offices, is essential to achieve these ambitions.
40. To the greatest extent possible, the primary cost drivers of IFAD's 2024 regular budget will be absorbed and offset by identifying savings and trade-offs through strategic prioritization. The real increase of 1.7 per cent will be entirely channelled to meeting resource needs of the staffing complements and incremental recurrent costs of the recalibrated decentralization plan.
41. 2024 budget drivers pertaining to identified strategic priorities and trade-offs are as follows:

#### **Decentralization requirements (+ US\$5.36 million)**

- (a) The recalibrated decentralization plan adheres to the established timeline and not only maintains but surpasses the targeted goal of 45 per cent staff positions operating in field offices. The plan adjusts the total number of field offices to 47, which includes establishing and staffing the new regional office for APR in Thailand, creating a dedicated regional office (RO) for LAC, upgrading the Cambodia and United Republic of Tanzania ICOs, and establishing a new office in Benin, while deferring IFAD's presence in high-intensity conflict-affected countries.
- (b) The 2024 budget proposal encompasses and frontloads both one-time and recurrent expenses for establishing and staffing the new and upgraded ICOs and ROs, while minimizing any decentralization-related incremental costs in 2025 and beyond. Additionally, the plan will incorporate changes in field-based positions directly aligned with IFAD's operational requirements and a fit-for-purpose headquarters in a decentralized context.

Table 5 compares the decentralization-related recurrent incremental costs for 2024 and 2025 pertaining to the original and recalibrated plan. Expected savings in 2025 are mainly generated by restructuring liaison functions at headquarters.

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<sup>6</sup> [GC 44/L.6/Rev.1](#).

Table 5

**Incremental decentralization-related recurrent costs: original and recalibrated plan**  
 (Millions of United States dollars)

<i>Cost item</i>	<i>Original plan</i>		<i>Recalibrated plan</i>	
	<i>2024 Budget</i>	<i>2025 Budget</i>	<i>2024 Budget</i>	<i>2025 Budget</i>
Staff costs	1.49	1.07	3.11	(0.78)
RO/ICO running costs	1.79	0.30	1.95	0.23
United Nations Department for Safety and Security (UNDSS) costs	0.3	0.3	0.3	0.3
<b>Total</b>	<b>3.58</b>	<b>1.68</b>	<b>5.36</b>	<b>(0.25)</b>

**Supervision and implementation support (+ US\$0.81 million):**

- (a) To prevent deteriorating project quality in a post-pandemic environment, IFAD Management continues, as in previous years, to give highest priority to ensuring the quality of programme delivery and overall portfolio. Greater attention is being given to adopting a revamped and more structured approach to fragility by building internal dedicated expertise and increasing implementation support to projects in fragile contexts, with enhanced technical and fiduciary oversight. While this will continue to be a focus area during IFAD13, the 2024 programme of work underpins the need for effectiveness in fragile contexts and identifies these as cost drivers for supervision and implementation support.
- (b) As a practical operational measure, additional supervision and implementation support missions, together with reinforcement of country teams, are planned for problem projects and those in fragile and conflict situations,<sup>7</sup> representing an incremental cost driver for 2024.

**Global and regional policy engagement (– US\$0.33 million):**

- (a) Management has considered a minor reduction in allocations for policy engagement activities, particularly in regard to participation in global and regional forums and related activities. Management recognizes that this will result in a more limited presence in certain global and regional forums; however, the aim is to optimize resource allocation and enhance operational effectiveness without compromising the quality of global engagement priorities, country strategic opportunities programmes (COSOP) or overall policy engagement with governments.

**Advocacy, visibility and networking (– US\$1.47 million):**

- (a) Management has evaluated and identified potential efficiencies by more selectively targeting advocacy, visibility and networking in global and partnership-related events, including by limiting the presence of IFAD staff in multilateral and inter-agency collaboration meetings. Substantial investments have been made in 2023 through IFAD13-related activities, and, in 2024, a decreased level of engagement is foreseen. Efforts will be made to minimize negative impacts on IFAD's strong ability to amplify the voices of rural people, foster collaboration and mobilize resources.

<sup>7</sup> With over 220 ongoing projects in 2023, IFAD recognizes the need for enhanced project monitoring and supervision, taking into account valuable lessons learned from previous projects that did not perform as well as expected. In 2024 and for the entire portfolio, plans call for financing 516 supervision and implementation support missions, compared to 430 in 2023.

**Capacity-building and professional development (– US\$0.59 million):**

- (a) IFAD Management have undertaken strategic measures to recalibrate capacity-building and professional development activities by focusing on efficiency and relevance. Having invested significant resources in 2022 and 2023 in capacity-building, in 2024 IFAD is now poised to consolidate its efforts and achieve greater efficiency through a streamlined budget approach in this area. This strategy will not impact the essential training and upskilling activities designed for onboarding new field staff, or those aimed at coaching and enhancing skills and capacities related to operations and programme delivery, as well as to overall workplace culture. These remain a priority, ensuring that IFAD continues to deliver high-quality projects and engage effectively with a broad range of stakeholders.

**Non-programme-related consultancy services and technical support (– US\$0.7 million):**

- (a) Following the high-level preview, IFAD has streamlined consultancy services engaged in administrative and corporate activities at the corporate and headquarters levels.
- (b) While also leveraging resources from vacant positions, which can be redirected to hire additional non-staff resources to support the business in administrative and corporate services, this proposed strategic reduction does not impact the technical support provided by consultants related directly to programmatic activities.

**Governing bodies documents (– US\$0.1 million):**

- (a) IFAD has implemented measures to enhance its governance processes by streamlining governing body documentation.<sup>8</sup> Through continued efforts towards: (i) reducing the number and volume of documents presented to IFAD's governing bodies; and (ii) more efficient and streamlined arrangements for formal and informal sessions of the Executive Board and its subsidiary bodies,<sup>9</sup> IFAD has reduced administrative burdens, thereby contributing to operational efficiency.

42. Table 6 provides an overview of incremental requirements and trade-offs leading to the net proposed real increase embedded in the 2024 budget.

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<sup>8</sup> [EB 2023/139/R.18/Rev.1](#) Streamlining of governing body documentation; [EB 2023/139/R.16/Rev.1](#) Revision of approval procedures for IFAD-financed project/programme and non-sovereign private sector operation proposals.  
<sup>9</sup> [EB 2023/138/R.10](#) Review of modalities of formal and informal sessions of the Executive Board and its subsidiary bodies.

Table 6

**2024 budget proposal: prioritization process results**

(Millions of United States dollars)

<i>Cost drivers (2024 incremental requirements)</i>		
Programme delivery	Decentralization - RO/ICO running costs and UNDSS cost sharing	2.25
	Decentralization - RO/ICO staffing costs	3.11
	Supervision and implementation support	0.81
<b>2024 incremental requirements subtotal</b>		<b>6.17</b>
<i>Net incremental requirements financed through real growth</i>		
		<b>2.99</b>
<i>Trade-offs</i>		
Programme delivery (non-lending)	Global and regional policy engagement	(0.33)
Knowledge-building dissemination and policy engagement	Advocacy, visibility and networking	(1.47)
Institutional functions services and systems	Governing bodies documents	(0.10)
	Capacity-building and professional development	(0.59)
	Non-programme-related consultancy services and technical support	(0.70)
<b>2024 trade-offs subtotal</b>		<b>(3.18)</b>

**B. Budget parameters and assumptions****Exchange rate and inflation rate**

43. Using the agreed foreign exchange rate calculation methodology,<sup>10</sup> the exchange rate for 2024 is EUR 0.935:US\$1, compared to last year's exchange rate of EUR 0.923:US\$1, slightly lower than the rate used in the 2024 budget preview (EUR 0.945:US\$1). Although not significant and despite the strengthening counter trend of the euro against the United States dollar recorded in 2023, this minor increase in the average exchange rate used for the 2024 budget – calculated in line with the agreed methodology – has a peripheral impact on the 2024 budget proposal, primarily by slightly lowering the cost of euro components of staff salaries and allowances, and other euro-denominated expenditures. This has been factored into standard staff costs.
44. The inflation adjustment for the 2024 budget is based on the agreed methodology, using specific differentiated price factors to the various expenditure categories. To provide adequate information and granularity, the proposed approach for adjusting the 2024 regular budget for inflation and price increases is outlined below:
- **Consultancy costs.** A detailed review was performed on the actual consultancy costs incurred, coupled with an analysis of existing contract data for all consultants from 2021 to 2023, calculating the average daily fee increase based on the fee changes for every individual having worked for IFAD in at least two of the three years. As a result, Management is proposing a **3 per cent price increase for this expenditure category to be applied to the requirements budget baseline.**

<sup>10</sup> Methodology for calculating foreign exchange and inflation assumptions in annual budgets, [AC 2015/136/R.6](#).

- **Travel costs.** As in previous years, IFAD makes use of a travel management company, which conducts extensive analysis on travel industry prices and trends. The main findings of that analysis were that in 2023, globally, market rates have risen by an average of 4 per cent since 2022.<sup>11</sup> However, the 2024 forecast increase for travel and events costs is moderate when compared to the exceptionally steep increases seen in 2022. Overall, ticket pricing growth is expected to cool down to 2.1 per cent in 2024 and the average hotel forecast price increase is 4 per cent. As a result, Management is proposing a **3 per cent price increase for this expenditure category to be applied to the requirements budget baseline**, absorbing any price fluctuations with savings from a reduction in travel not linked to programme delivery activities.
- **IT services costs.** For this category, as per the approved methodology, the average of the world consumer price index published by the International Monetary Fund and the Italian consumer price index published by the Italian National Institute of Statistics has been applied. Taking into account the latest data available and considering recent trends and global forecasts for 2024,<sup>12</sup> Management is proposing a **5.1 per cent price increase for this expenditure category to be applied to the requirements budget baseline**.
- **Other costs.** This expenditure category is comprised of the following subcategories:
  - Facility management;
  - Other staff costs;
  - Training costs;
  - Interpretation and translation costs;
  - Administrative costs; and
  - Cooperating institutions costs.

**Management has applied a 5.1 per cent increase to all subcategories within the “other costs” category, with the exception of “other staff costs” to which a 1.75 per cent price increase has been applied**, in line with the price adjustment applicable to staff costs.

- **Staff costs.** Staff costs for the 2024 budget are based on the revision of standard staff costs.

As in previous years, standard staff costs were developed separately for each grade level, adjusted for the weighted distribution by salary step based on an analysis of statistical data of the actual IFAD staff population. An in-depth analysis of standard staff costs was performed for General Service and Professional staff categories located at both headquarters and ICOs, by reviewing actual payroll costs and salary scales, and analysing trends in post adjustments and exchange rates applicable to IFAD staff based in all duty stations. The analysis factored in an increased level of mobility among Professional staff due to decentralization and reassignments, and related benefits allowances. It also embeds increases in salary scales and/or salary components (pensionable remuneration) and includes the effects of the normal within-grade step increment (WIGSI) and the EUR:US\$ exchange rate.

The standard costs for 2024 incorporate the following:

<sup>11</sup> Data as of August 2023.

<sup>12</sup> “Global headline inflation is expected to fall from 8.7 per cent in 2022 to 6.8 per cent in 2023 and 5.2 per cent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.” – Ref: [World Economic Outlook Update – July 2023- International Monetary Fund](#). According to the forecast of Italian inflation published by the Italian National Institute of Statistics, the 2024 consumer price index variation expected is + 2.6 per cent. (<https://www.istat.it/it/archivio/285241>).

- Average post adjustment variation including multipliers applicable to all locations where IFAD has staff (impact on standard costs – increase);
- WIGSI (impact on standard costs for base salaries – slight decrease);
- Increase in pensionable remuneration for Professionals and above as normally applied by the International Civil Service Commission in February (impact on standard costs – minor increase);
- Increase in General Service secondary scale applied in April every year (impact on standard costs – minor increase);
- Salary scales and exchange rate variation applicable to field-based General Service and National Professional staff (impact on standard costs – slight decrease);
- Exchange rate of EUR 0.935:US\$1 for 2024 (impact on standard costs – decrease, especially for General Service staff at headquarters, and education grants paid to Professional expatriate staff);
- Allowances and related benefits due to staff mobility and hardship duty, stations including relocations and security emergency evacuations (impact on standard costs – increase).

The application of the revised standard costs to the 2024 baseline staff envelope (i.e. 2023 approved staff workforce calculated at 2024 standard costs) has resulted in a modest increase in staff costs. Also included are existing positions reclassified at higher grades as a result of the continuing final job audit exercise phase and Management-driven promotions approved in 2023.

**The net effect of the revised standard costs as outlined above results in a net increase in the staff costs envelope of approximately 1.75 per cent.** This value has been applied as price adjustment to the staff cost component for the 2024 proposed budget.

45. **The overall resulting compound inflation rate applied to the 2024 IFAD administrative budget is 2.68 per cent** as shown in the below table 7.

Table 7

**Price adjustment 2024 budget proposal**

(Millions of United States dollars)

<i>Expenditure category</i>	<i>Baseline</i>	<i>Price adjustment factors</i>	<i>Total inflation</i>
Staff	102.08	1.75%	1.79
Consultants	25.04	3.0%	0.75
Duty travel	9.95	3.0%	0.30
ICT non-staff costs	6.67	5.1%	0.34
Other costs	31.97	4.8% (5.1% for all subcategories except for "other staff costs" 1.75%)	1.54
<b>Total</b>	<b>175.71</b>	<b>2.68% (compounded rate)</b>	<b>4.71</b>

### C. Staff budget

46. In planning and developing the annual budget, IFAD has assessed its staffing requirements considering established priorities and affordability standards. In addition, the organization has explored possible adjustments in both functions and structure by implementing a dynamic approach to workforce planning encompassing functional, organizational and budgetary aspects.
47. The proposed staffing level for the regular budget in 2024 is 861 full-time equivalents (FTEs), representing a net increase of 55 FTEs from the 2023 baseline. This increase results from 58 new FTEs and reductions totalling 3 FTEs.



48. The recommended staffing structure is aligned with IFAD's 2024 strategic priorities: strengthening programme delivery and impact and delivering the recalibrated decentralization plan. This staffing plan includes positions within the existing regional and country offices, the newly established regional offices and the new ICO to be created, as detailed above.
49. In parallel to developing the recommended staffing complement, Management is evaluating the role of IFAD headquarters and related organizational structures within the context of an increasingly field-based organization. The aim is to improve synergies in a fit-for-purpose headquarters. The ongoing evaluation process will be informed by the final Multilateral Organization Performance Assessment (MOPAN) report and continue throughout 2024 for implementation in 2025.
50. In particular, the proposed staffing plan, based on approved decentralization metrics, includes 58 FTEs as follows:
  - (a) Administrative assistants in the two new regional offices for APR and LAC, as well as country administrative assistants, including 19 drivers, to enhance administrative and programme-related support to ROs, multi-country offices (MCOs) and ICO staff;
  - (b) Administrative and resources analysts in APR and LAC regional offices, including one regional office data analyst;
  - (c) A programme officer within the new fragility unit, as well as additional country programme officers and analysts in the Benin ICO (West and Central Africa [WCA]), Haiti ICO (LAC) and Thailand RO (APR);
  - (d) Corporate services manager in LAC and regional security officers in East and Central Africa (ESA), WCA and APR ROs;
  - (e) Dedicated project procurement officers, one for each region (APR, ESA, Near East, North Africa and Europe Division [NEN] and WCA); and
  - (f) Additional positions based at headquarters covering the areas of operational risk, finance, thematic operations and M&E.
51. The reduction of three vacant FTEs is one element of the recalibrated decentralization plan and is a result of IFAD's efforts to enhance efficiency and redefine the role of headquarters in relation to field offices. In particular, the plan foresees the abolishment of the following vacant positions:
  - (a) One country operations analyst and one country programme assistant in Accra, following the conversion of the Ghana MCO to a country director-led ICO; and
  - (b) One lead programme delivery risk officer position (RMO) based in headquarters, to be offset by the creation of the two new operational risk officer positions.
52. Of the total 861 FTEs funded by the regular budget in 2024, approximately 415 positions will be located in the field, compared to 111 positions in 2017 prior to the decentralization initiative. This will increase the proportion of field-based staff positions to 48.2 per cent of the overall IFAD staff positions, versus 43.3 per cent during 2023 budget preparation and a projected 44.5 per cent at the end of 2023.
53. The number of positions funded by unrestricted management fees, and supported by the gross budget, will be 33.35 FTEs. This includes an increase of six FTEs due to the higher amount of supplementary funds received by IFAD and the corresponding increased level of functions required to manage them. This increase may vary over the course of 2024, depending upon the mobilization of additional supplementary funds throughout the year.

54. Proposed staff levels are indicative and may be subject to slight adjustments within the overall FTE envelope to meet evolving operational needs, especially on the decentralized structure.

#### **D. Non-staff budget**

55. Internal guidelines for formulating budgets pertaining to non-staff expenses were developed and provided in-house. These guidelines encompassed budgetary parameters and overarching departmental/divisional allocations for non-staff expenditures based on the approved 2023 budget as well as on projections for growth and inflation assumptions.
56. Departments submitted their budget proposals, categorized expenses as either direct or indirect, and highlighted priority activities in 2024, as well as areas where efficiencies and savings could be achieved. The Office of Strategic Budgeting collaborated closely with departments during the 2024 planning exercise to identify areas needing increased focus and investments and areas for revised scoping and recalibration.
57. The submissions were prepared using the same institutional output groups (IOGs) as the previous year, with no new IOGs introduced for 2024. An indicative budgetary breakdown, along with a list of the IOGs, is provided in table 10.
58. In the process of reviewing all non-staff budget submissions, corporate priorities and directives set by IFAD Management were rigorously considered. To enable prioritization of decentralization-related incremental requirements at the corporate level, the President requested all departments to propose a 5 to 10 per cent reduction of their non-staff budget as compared to 2023. Furthermore, a thorough analysis was undertaken to consistently apply adjustments for inflation and price fluctuations, particularly with regard to items such as travel and consultancy expenses.
59. Departments were also instructed to submit their requirements for incremental activities to be charged to complementary and supplementary funds management fees, for inclusion in the gross budget for 2024. The 2024 budget proposal has seen approximately a 17 per cent increase in the availability of supplementary funds management fees compared to last year's funding levels, primarily due to increased mobilization of funds from diversified supplementary sources and increased encashment of donor contributions towards these initiatives.
60. Finally, the guidance, feedback and inputs provided by the Audit Committee and Executive Board during their deliberations on the high-level preview were considered in preparing the final budget.

#### **E. Net and gross regular budget proposal**

##### **Net regular budget proposal**

61. The 2024 net regular budget is proposed at US\$183.41 million, representing a 4.4 per cent nominal increase over the 2023 budget of US\$175.71 million, lower than the nominal growth presented in the high-level preview of US\$183.5 million.
62. In line with the prioritization and trade-offs as outlined in section IV(A), the real increase amounts to US\$2.99 million, representing real growth of 1.7 per cent over the 2023 approved budget. There is a net price increase of approximately US\$4.71 million in respect of compound inflation rate adjustments of 2.68 per cent.

Table 8

##### **Regular budget**

(Millions of United States dollars)

(A) 2023 approved budget	(B) 2024 price increase	(C) 2024 estimated real increase	(D) 2024 nominal budget (A+B+C)	Real growth (C/A)	Nominal growth (B-A)/A
175.71	4.71	2.99	183.41	1.7% increase	4.4% increase

**Budget proposal: overview of allocations**

63. The overall budget allocations are aligned with the priorities of the 2024 regular budget:

(a) **Decentralization**

The implementation of the decentralization plan has an impact on budget allocations in 2024, for both staff and non-staff complements. In particular, the creation of administrative and coordination functions and the frontloading of programme-related positions have resulted in increased budget allocations for the Corporate Services Department and Programme Management Department. This increase also embeds the incremental non-staff administrative running costs for existing and new offices budgeted under these two departments.

(b) **Programme delivery**

To deliver IFAD12 pipeline commitments and ensure good performance and quality of the ongoing portfolio, especially in contexts of fragility, increased budget funding has been allocated to programme management and strategy and knowledge for supervision and implementation support and to strengthen project procurement and operational compliance-related activities, including safeguards and oversight. Additional budgetary resources will be invested to pivot the knowledge function towards technical assistance requested by countries. The increase in consultancy and travel costs has been partially absorbed by realigning expenses related to other cost categories, particularly in the context of de-prioritizing non-essential global and regional policy engagement related initiatives. Additionally, extra staffing resources have been allocated to FOD to support the development of new financial products and mechanisms.

64. Expenses categorized under the corporate cost centre are divided into two main components. The first category consists of centrally managed allocable organizational costs including corporate expenses such as the UNDSS cost-sharing contribution, the IFAD Client Portal and annual auditing fees. The second category comprises institutional costs that are not allocable to departments, including depreciation and after-service medical costs. The slight decrease in the first category partially offsets the slight increase in the second one, mainly due to increased depreciation costs for major capital budget investments done in recent years.

**Budget proposal by summary cost category**

65. A comparison between the 2023 approved budget and 2024 budget proposal across major cost categories is shown in table 9. An overall 3.38 per cent reduction in consultancy costs across the organization is planned for 2024 through reduction in non-essential consultancy services for de-scoped activities. To some extent, this reduction has allowed for the creation of new FTEs in critical areas. On the other hand, however, some increases to consultancy costs were necessary in the areas of technical support to programme delivery, to support human resource management and ICT delivery, and for reshaped global communication.
66. The travel costs category presents a 14.03 per cent increase when compared to 2023 levels due to increased levels of project supervision and implementation support, especially in fragile and conflict-affected situations. The sharp increase in the budget for this category demonstrates Management's attention to project management oversight through a strengthened focus on fiduciary issues, problem projects and projects at different levels of operational risks in fragile and non-fragile situations. This will require additional resources for related travel by technical staff and consultants.

67. While the IT costs across IFAD have increased by 9.97 per cent compared to 2023, this includes the 5 per cent inflation indicated above, and should be considered in the context of increased technological requirements for connecting an expanding global workforce and the incremental support costs for major new systems that have been launched, including the IFAD Online Project Procurement End-To-End System (OPEN). These IT systems costs are offset by savings in other cost categories. The other non-staff categories, such as other staff-related costs, facilities management, training, translation and interpretation, have decreased by 4.77 per cent. This demonstrates the efforts taken by Management in prioritizing activities and absorbing increases within the existing nominal budget growth assumptions.

Table 9

**Regular budget by cost category, 2023 approved budget versus 2024 proposal**  
(Millions of United States dollars)

	2023	2024	% Variance
Staff	102.08	110.09	7.85%
Consultants	25.04	24.20	(3.38%)
Duty travel	9.95	11.34	14.03%
ICT non-staff costs	6.67	7.33	9.97%
Other costs	31.97	30.45	(4.77%)
<b>Total</b>	<b>175.71</b>	<b>183.41</b>	<b>4.38%</b>

**IFAD regular budget by results pillars**

68. IFAD is committed to maintaining a progressive stance in its approach to corporate planning and budgeting, aiming to allocate resources efficiently towards achieving its strategic goals. Budgeting by pillars was introduced in 2017, allowing for an enhanced focus on results, and has improved the effectiveness of corporate planning.
69. Cumulative data have been reviewed to analyse trends and draw meaningful conclusions on how shifting areas of focus could translate into changes in spending and allocation patterns.
70. Starting with the 2023 budget process, IOGs were mapped to direct and indirect costs (i.e. programmatic and administrative resources) and again linked more closely to strategic priorities with their relative contributions fully weighted. This information was communicated to departments at the beginning of the budget process to inform the selection of IOGs in the preparation of budget requests and as a basis for establishing a corporate approach to mapping costs to IOGs.
71. Table 10 below shows the breakdown of 2024 regular budget by results pillar and institutional output group, including a comparison to the 2023 and 2022 budgets.

Table 10

**Indicative breakdown of 2024 regular budget by results pillar and institutional output group, and comparison against approved 2022 and 2023 regular budgets**  
(Millions of United States dollars)

Pillar	2022		2023		2024	
	US\$	% of total	US\$	% of total	US\$	% of total
<b>Pillar 1 – Country programme delivery</b>						
Country strategies and programmes	6.87	4	6.22	4	7.12	4
Design of new loan and grant financed projects	14.65	9	25.26	14	22.05	12
Supervision and implementation support	28.29	18	31.46	18	34.50	19
Enable and support	21.62	14	26.89	15	34.02	19
Enabling management functions	2.52	2	3.02	2	3.86	2
Country-level policy engagement	2.05	1	1.87	1	1.32	1
Allocable corporate costs	2.21	1	2.23	1	2.13	1
<b>Subtotal pillar 1</b>	<b>78.20</b>	<b>49</b>	<b>96.96</b>	<b>55</b>	<b>105.00</b>	<b>57</b>

<b>Pillar 2 – Knowledge-building, dissemination and policy engagement</b>						
Corporate knowledge and research	4.58	3	1.34	1	0.91	0
Communication and outreach	5.01	3	5.30	3	5.88	3
South-South and Triangular Cooperation	0.77	0	0.87	0	0.95	1
Impact assessments	1.75	1	2.28	1	1.96	1
Global policy engagement and global partnerships	5.54	3	3.93	2	2.54	1
Enable and support	4.09	3	1.46	1	0.45	0
Enabling management functions	1.01	1	1.29	1	1.51	1
Allocable corporate costs	0.00	0	0.00	0	0.00	0
<b>Subtotal pillar 2</b>	<b>22.75</b>	<b>14</b>	<b>16.48</b>	<b>9</b>	<b>14.21</b>	<b>8</b>
<b>Pillar 3 – Financial capacity and instruments</b>						
Replenishment	1.14	1	0.19	0	0.22	0
Resource mobilization and management of additional resources	4.27	3	4.12	2	3.91	2
Corporate financial management and reporting	1.07	1	1.27	1	1.39	1
Corporate fiduciary and financial risk management	2.65	2	0.56	0	0.74	0
Corporate controllership	0.62	0	0.42	0	0.32	0
Financial projections, products, strategic and operational liquidity planning/management	0.26	0	0.50	0	0.69	0
Investment portfolio management	0.54	0	0.59	0	0.63	0
Enable and support	5.07	3	2.34	1	0.60	0
Enabling management functions	1.38	1	1.29	1	1.41	1
Allocable corporate costs	0.00	0	0.18	0	0.19	0
Unallocable corporate costs	0.20	0	0.00	0	0.00	0
<b>Subtotal pillar 3</b>	<b>17.19</b>	<b>11</b>	<b>11.46</b>	<b>7</b>	<b>10.12</b>	<b>6</b>
<b>Pillar 4 – Institutional functions, services and governance</b>						
Enabling information technology environment	5.03	3	6.04	3	8.00	4
Client-oriented transaction services	0.84	1	0.62	0	0.65	0
Effective and sustainable administrative services	2.01	1	1.91	1	2.04	1
Headquarters security services	1.58	1	1.36	1	1.24	1
Effective and sustainable facilities management	2.92	2	3.21	2	3.62	2
Human resource management	6.16	4	5.51	3	5.34	3
Corporate planning, budgeting and reporting	3.51	2	0.63	0	0.65	0
Internal oversight and risk management	5.86	4	5.59	3	5.98	3
Corporate legal services	0.51	0	3.41	2	3.58	2
IFAD management functions	1.64	1	3.16	2	3.00	2
In-house communications	0.29	0	0.00	0	0.00	0
Ethics Office	0.60	0	0.61	0	0.61	0
Governing bodies	5.02	3	3.83	2	3.97	2
Membership and protocol	0.87	1	0.57	0	0.53	0
Enable and support financial institutional functions	3.79	2	2.51	1	2.69	1
Enabling management functions	2.32	1	3.95	2	3.95	2
Allocable corporate costs	1.14	1	3.49	2	3.52	2
Unallocable corporate costs	4.70	3	4.42	3	4.70	3
<b>Subtotal pillar 4</b>	<b>48.78</b>	<b>31</b>	<b>50.81</b>	<b>29</b>	<b>54.08</b>	<b>29</b>
<b>Total</b>	<b>166.93</b>	<b>100</b>	<b>175.71</b>	<b>100</b>	<b>183.41</b>	<b>100</b>

72. The above table shows that 65 per cent of the total budget falls under operational pillars 1 and 2, while pillars 3 and 4 account for the remaining 35 per cent.
73. In line with the prioritized focus of the 2024 budget on programme delivery and impact operations and decentralization, the resources allocated to the operational pillars have increased by approximately 8 per cent since 2022 and by 2 per cent since the 2023 approved budget.

74. Pillars 2 and 3 show a slight decrease in allocated resources linked to the resizing of some activities such as recalibrated advocacy, visibility and networking operations.

### **Cost classification**

75. The budgetary process for 2024 is grounded in the principles of heightened efficiency and resource management. It involves the segmentation of budgets according to a cost classification framework which was introduced for the first time during the 2023 budget process.
76. Direct costs are those directly linked and traceable to a programme or project, hence resources destined for programmatic activities, while indirect costs are not directly linked or traceable to programmes or projects, but are considered necessary to run an organization and to maintain and improve organizational structures.
77. The revamped process leverages existing data from corporate systems. IFAD implemented the aforementioned definition by aligning the IOGs with both direct and indirect costs and classifying the budget accordingly.
78. Table 11 shows the 2024 regular budget proposal reclassified in line with the above-described methodology and cost classification framework.
79. The 2024 regular budget, when compared to the previous year, shows enhancements in the process of resource allocation. It exhibits growth in the distribution of approximately 57.3 per cent (an increase from 55 per cent in 2023) of the total administrative budget towards direct costs, i.e. towards activities directly linked and traceable to a programme or project and to benefits derived by programme or project beneficiaries.
80. Mindful of recommendations for stronger budget discipline, IFAD remains committed to optimizing the levels of direct and indirect costs in each iteration of the planning and budgeting cycle. In this way, IFAD aims to further strengthen the organization's ability to manage efficiency and manage by results, and maximize resource allocations towards programmatic activities.

Table 11

**Indicative breakdown of regular budget by direct and indirect costs and by results pillar, 2024**  
(Millions of United States dollars)

	<i>Pillar 1</i>	<i>Pillar 2</i>	<i>Pillar 3</i>	<i>Pillar 4</i>	
	<i>Country programme delivery</i>	<i>Knowledge-building, dissemination and policy engagement</i>	<i>Financial capacity and instruments</i>	<i>Institutional functions, services and governance</i>	<b>Total</b>
Direct	105.00				
Indirect		14.21	10.12	54.08	
<b>Total</b>	<b>105.00</b>	<b>14.21</b>	<b>10.12</b>	<b>54.08</b>	<b>183.41</b>
Percentage allocation	57.25	7.75	5.52	29.49	<b>100</b>

### **Gross budget proposal**

81. IFAD oversees and administers various operations on behalf of external third parties, which are external to but complement the PoLG. These operations are funded through supplementary funds. Engaging in these collaborative partnerships incurs additional incremental expenses related to design, implementation, supervision and administration. Typically, incremental costs are covered by management fee income derived from supplementary funds agreements.
82. In recent years, increased resource mobilization efforts have boosted supplementary fund resources and donor contributions considerably, with a significant rise in the fee income generated from the management of supplementary funds.

83. The gross budget encompasses not only the net regular budget but also the resources necessary for the administration and support of additional tasks associated with supplementary funds. Funding for the essential functions related to the core PoLG and associated activities will continue to be covered by the net regular budget.
84. The separation of the gross and net budgets serves the purpose of safeguarding the annual stability of the regular budget against fluctuations in the workload linked to supplementary funds. Within the gross budget, only the incremental expenses required to facilitate activities tied to supplementary funds, such as those from the Adaptation for Smallholder Agriculture Programme (ASAP), the European Union and other bilateral supplementary funds, are included.
85. In 2024, the expenses associated with supporting supplementary fund-related activities will amount to US\$9.72 million, which is in addition to the net regular budget of US\$183.41 million. This marks a rise of US\$1.42 million when compared to the figures from 2023. Crucially, this incremental cost will be fully financed by the annual allocable share of fee income generated by multilateral and bilateral contributions.
86. Consequently, the gross budget proposed for 2024 totals US\$193.13 million. It is important to note that approval is being requested specifically for the proposed net regular budget of US\$185.41 million.
87. Table 12 provides a summary of the gross and net regular budget.

Table 12

**Indicative gross and net budget for 2024**

(Millions of United States dollars)

<i>Cost category</i>	<i>Approved 2023</i>	<i>Proposed 2024</i>
Gross budget	184.0	193.13
Costs to support supplementary fund activities	(8.3)	(9.72)
<b>Net regular budget</b>	<b>175.7</b>	<b>183.41</b>

**F. Efficiency ratios**

88. Efficiency ratios are shown in the table 13 below.

Table 13  
**Efficiency ratios**  
(Millions of United States dollars)

	<i>Actual 2020</i>	<i>Actual 2021</i>	<i>IFAD 11 (2020/2021)</i>	<i>Actual 2022</i>	<i>Projected 2023</i>	<i>Projected 2024</i>
<b>Programme of work</b>						
PoLG	878	1 051	1 929	884	934	1 538
Other IFAD-managed funds	93	336	429	241	383	192
<b>Subtotal</b>	<b>971</b>	<b>1 387</b>	<b>2 358</b>	<b>1 125</b>	<b>1 317</b>	<b>1 730</b>
Cofinancing*	1 041	2 012	3 053	959	2 398	3 188
<b>Total POW</b>	<b>2 012</b>	<b>3 399</b>	<b>5 411</b>	<b>2 084</b>	<b>3 715</b>	<b>4 918</b>
<b>Value of portfolio under implementation at end of period**</b>	<b>8 608</b>	<b>7 727</b>	<b>-</b>	<b>8 608</b>	<b>8 468</b>	<b>7 851</b>
<b>Total costs</b>						
Regular budget	142.74	151.95	295	162.53	171.72	<b>183.41</b>
<i>Direct and programmatic costs</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	97	105
<i>Indirect costs</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	79	78
Costs to support supplementary fund activities	4.7	4.7	9.4	6.8	8.3	9.8
<b>Total costs</b>	<b>147.4</b>	<b>156.7</b>	<b>304.1</b>	<b>169.3</b>	<b>180.0</b>	<b>193.2</b>
<b>Efficiency ratio 1: Total costs/PoLG incl. other IFAD-managed funds</b>	15%	11%	13%	15%	14%	11%
<b>Efficiency ratio 2: Total costs/PoW</b>	7%	5%	6%	8%	5%	4%
<b>Efficiency ratio 3: Portfolio/total costs</b>	58	49		51	47	41

\*Actual numbers recalibrated following systems alignment.

\*\* 2023 and 2024 projected figures are based on data available in the Grants and Investment Projects System as at 7 March 2016 to 2023 and assumptions on pace of project approvals, entry into force and completion for the period 2023 to 2024.

89. The rolling average ratio of IFAD's total PoLG to gross budget over 2020 and 2021 was 13 per cent, which is the same as at the end of IFAD10.
90. Considering a projected PoLG amounting to US\$1.730 billion, which includes other funds managed by IFAD, and the proposed gross budget of US\$193.13 million, the anticipated ratio for 2024 is expected to remain at 11 per cent. This confirms a downward trend accompanied by a more client-responsive approach to PoLG planning and pipeline.
91. Including cofinancing, IFAD's efficiency ratio of total costs to total programme of work is an estimated 5 per cent for 2023, and projected to improve further in 2024 with costs of 4 per cent of the total programme of work.
92. As of the end of 2022, the monetary value of the current portfolio stood at US\$8.6 billion. The portfolio's value to total costs means that for every US\$1 of budget expenditure, IFAD is now delivering and managing a portfolio value of US\$51. This metric has demonstrated notable improvement, as the amount of portfolio managed per dollar of budget expenditure has risen from US\$45 during the IFAD10 period.
93. It should be noted that despite the high volatility of the portfolio and its decreasing value in 2023 and 2024 projections, the higher volume of the PoLG in 2024 will produce a greater valuation in the first year of IFAD13, when the projects designed will actually enter into force,<sup>13</sup> hence pushing up efficiency ratio 3.

<sup>13</sup> The value of portfolio under implementation includes new projects that have actually entered into force, hence after Executive Board approval.



94. While reporting on relevant indicators for each fiscal year, IFAD will improve the review process with each iteration to ensure that it suits the needs of Management and to ensure more meaningful reporting for the entire replenishment cycle and across replenishment cycles.
95. Although these metrics are used to evaluate IFAD's efficiency over the long term, the new budget cost classification between programmatic/direct and administrative/indirect costs introduced in the 2023 budget has generated opportunities to oversee and measure results differently, in terms of resource allocation efficiency.
96. Indeed, a comparison of IFAD's regular budget with the PoLG provides a more nuanced view of the corporate efficiency ratio, which then decreases from 18 per cent in 2023 to a projected 12 per cent in 2024.
97. Moreover, the administrative expenses to active portfolio ratio, calculated as the indirect costs in IFAD's administrative budget over the active project portfolio for the year demonstrates a stable 1 per cent in 2023 and 2024.
98. Finally, if the ratio of administrative to indirect costs is calculated using a combination of direct budget expenditures and PoLG disbursements for the respective year, organizational efficiency improves from 8 per cent in 2023 to an estimated 5 per cent in 2024.
99. These ratios could provide further transparency around the allocation of IFAD's regular budget and offer room for insightful considerations on resources planning, implementation and reporting during IFAD13.

## **V. 2024 capital budget**

100. The total 2024 capital budget requests from the departments totalled US\$10.08 million, distributed across IT (US\$5.84 million) and non-IT-related proposals (US\$4.24 million). Considering the existing projects pipeline, capital investment requests have been prioritized to ensure alignment with 2024 corporate priorities.
101. The capital budget will be divided into three categories: (i) 2024 strategic priorities and focus areas (decentralization, institutional efficiency and financial systems); (ii) cyclical and business continuity capital expenditures that are cyclical or recurrent in nature and have an economic life of more than one year (e.g. regular annual replacement of IT equipment in all duty stations as part of the state of good repair initiative, procurement of new official vehicles for newly established offices and replacement of existing vehicles in field locations); and (iii) other cross-cutting investments to further improve organizational data evidence by funding multiple cross-cutting IT investment projects in line with available capacity for undertaking such projects.
102. The 2024 capital budget envelope amounts to US\$6.10 million, comprising: (i) US\$3.61 million related to corporate priorities and focus areas; (ii) US\$1.78 million to cover cyclical or business continuity capital expenditures; and (iii) US\$0.71 million for other cross-cutting corporate initiatives. Main prioritized areas for investment in 2024 include one-time costs for ensuring implementation and enabling environment for IFAD's decentralization recalibrated plan as well as expanding, relocating, and strengthening existing country offices to better support IFAD's project portfolio and boost United Nations/international financial institution partnerships.
103. With regards to IT project-related requests for 2024, under a total envelope of US\$3.82 million: (i) US\$2.21 million is proposed for strategic priorities, including the development of an annual workplan and budget online tool in IFAD OPEN and the alignment of the Operational Results Management System (ORMS) with policy guidelines and procedures to support programme delivery; (ii) US\$0.90 million will

be used to cover IT cyclical and business continuity capital expenditures; and (iii) US\$0.71 million is earmarked for other cross-cutting initiatives, such as improving access to and use of IFAD's knowledge in global and national policy forums, operations and resource mobilization efforts and enhanced reporting on climate finance.

104. With regards to non-IT capital requests for 2024, under a total envelope of US\$2.28 million, US\$1.40 million is directly linked to one-time field offices costs under the recalibrated decentralization plan, US\$0.50 million is earmarked for replacing old vehicles in IFAD's current fleet and procuring new ICO vehicles; and US\$0.38 million will be used for energy efficiency at headquarters and regular maintenance.

Table 14

**Capital budget request, 2024**

(Millions of United States dollars)

Category	US\$ (millions)	Percentage
Strategic priorities and focus areas	3.61	59%
Cyclical and business continuity	1.78	29%
Other cross-cutting investments	0.71	12%
<b>Total</b>	<b>6.10</b>	<b>100%</b>

## **VI. 2025–2026 budget outlook and way forward**

105. IFAD's future budgets for 2025 and 2026 are strategically designed to align with the organization's shared ambitions and its commitment to delivering on the objectives outlined in IFAD13. These budgets are instrumental in ensuring that IFAD remains well equipped to fulfil its mandates, contributing significantly to the achievement of Agenda 2030. The objectives of IFAD13 emphasize the importance of delivering investments at the necessary scale and quality to address the complex challenges facing the rural poor, including climate change, conflict and the need for equitable food systems.
106. In response to the evolving business model and to better plan and utilize budgets for operations in sync with replenishment cycles, IFAD Management is implementing a forward-looking strategy. This approach includes shifting towards a rolling forecast method, which will provide clearer insights into the organization's structural proposals and their associated budget implications. By adopting this approach, IFAD aims to enhance budget planning, allocate resources effectively, and adapt to emerging priorities and commitments.
107. To ensure the sustainability of IFAD's budget trajectory during the IFAD13 period, the organization has identified key cost drivers that could have an impact on its financial outlook. These drivers encompass addressing fragility-related challenges, boosting climate and biodiversity financing, and strengthening engagement with the private sector. In the months ahead, the IFAD13 consultation will offer a valuable opportunity to harmonize IFAD's regular budget with the objectives and commitments outlined in the replenishment process.
108. While acknowledging the need for budget discipline in line with government policies, IFAD is actively exploring avenues for institutional effectiveness, cost rationalization and enhanced efficiencies. Efforts to optimize resource allocation and leverage supplementary funds are already under way, demonstrating IFAD's commitment to responsible budget management and programme delivery.

## Part two – Results-based work programme and budget for 2024 and indicative plan for 2025–2026 of the Independent Office of Evaluation of IFAD

### I. Introduction

109. **Learning from the evaluation experience under COVID-19**, in-person missions have now resumed but the COVID-19 experience has been capitalized upon.<sup>14</sup> The Independent Office of Evaluation of IFAD (IOE) is now conducting preparatory missions remotely for country strategy and programme evaluations (the main data collection mission is undertaken in person). It is also extending the use of virtual interviews and the use of geo-based tools (based on satellite imaging) to complement its physical presence missions in the field.
110. **Emerging priorities.** This document reviews IOE activities in 2023, presents IOE priorities and proposed area of work for 2024 and beyond, and their relevance to the IOE multi-year evaluation strategy 2022–2027<sup>15</sup> and resource implications. The document was informed by extensive consultations with IFAD's governing bodies and Management, including the Programme Management Department and the Strategy and Knowledge Department. This document is aligned with the multi-year evaluation strategy presented to the Evaluation Committee at its 114<sup>th</sup> session and to the Executive Board at its 134<sup>th</sup> session in December 2021. The multi-year strategy helps operationalize the 2021 Revised IFAD Evaluation Policy.<sup>16</sup> This document builds upon the comments received from the Audit Committee, the Evaluation Committee and the Executive Board during the consultation process.

### II. Activities in 2023

111. This section provides an update on the progress made in 2023, budget utilization through mid-September 2023 and projected 2023 year-end budget utilization. In line with the 2021 Evaluation Policy, the IOE budget is prepared independently of IFAD's administrative budget.

#### A. Key evaluations and related initiatives

112. The progress made in selected evaluation activities is outlined below:
- **Corporate-level evaluation (CLE) of IFAD's decentralization experience.** The CLE was finalized in January 2023, taking Management's comments into account. The report was presented to the Evaluation Committee at its 120<sup>th</sup> session in April 2023 and to the Executive Board at its 138<sup>th</sup> session in May 2023.
  - The approach paper for both the **CLE on knowledge management** and the **thematic evaluation on gender equality** was discussed with the Evaluation Committee at its 120<sup>th</sup> session in April 2023. Data collection has taken place, including country case studies. These two evaluations are slated for completion in late 2023.
  - **The thematic evaluation on food and nutrition security** will begin in September 2023. It will carry forward and complete in 2024.
  - **The subregional evaluation on the Dry Corridor of Central America** began in the first part of 2023, and the country case studies were conducted between June and July. The focus is on four countries – El Salvador, Guatemala, Honduras and Nicaragua – and agroecological areas characterized

<sup>14</sup> <https://www.ifad.org/en/web/ioe/-/the-experience-of-the-independent-office-of-evaluation-of-ifad-in-conducting-evaluations-during-covid-19-learning-note>.

<sup>15</sup> <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-36.pdf>.

<sup>16</sup> <https://webapps.ifad.org/members/eb/132/docs/EB-2021-132-R-5-Rev-1.pdf>.

not only by vulnerability to natural shocks and climate change but conflicts, violence and emigration as well. This subregional evaluation will help: (i) identify development challenges and strategic opportunities for IFAD in the Dry Corridor; (ii) assess the performance and results of intervention approaches supported by IFAD; and (iii) based on the analysis, formulate recommendations to boost effectiveness and collaboration with national authorities and subregional and international organizations working in the Dry Corridor. The plan is to finalize the evaluation in the first quarter of 2024.

- **Country strategy and programme evaluations (CSPEs).** The CSPEs in China and Ethiopia (begun in 2022) were completed in the second quarter of 2023. In-person workshops were held in Addis Ababa and Beijing in June 2023. IOE began new CSPEs in India, Mauritania, Türkiye and Rwanda. The CSPE in the Dominican Republic will begin in the last quarter of 2023, with data collection slated for 2024. The CSPE for Haiti is on hold, due to security concerns in the country. CSPEs are a key IOE product, covering an extended period of IFAD cooperation with the country in question (in many cases around 10 years) and informing the preparation of new strategies (country strategic opportunities programmes).
- **Annual Report on the Independent Evaluation of IFAD (ARIE).** IOE prepared its twenty-first ARIE for presentation to the Evaluation Committee at its 122<sup>nd</sup> session and the Executive Board at its 139<sup>th</sup> session. The ARIE contains time series analysis of ratings from project-level evaluations, as well as ratings for non-lending activities generated by country-level evaluations. The 2023 edition of the ARIE covers findings from recent evaluations on IFAD's institutional efficiency, rural enterprise development and agricultural advisory services, further contributing to institutional learning.
- **Project cluster evaluations (PCEs).** These are project-level evaluations conducted on a group of projects that share similar characteristics in several countries. PCEs can cover ongoing, as well as closed, projects and include field visits. In 2023, IOE has completed PCEs on rural finance projects in the East and Southern Africa region, focusing on projects in Ethiopia, Kenya and Zambia. It held a learning event in July 2023.
- **Project performance evaluations (PPEs).** These are project-level evaluations that include country missions with field visits and are key to understanding IFAD's performance at a granular level. They are building blocks for country-level evaluations, evaluation syntheses, corporate-level evaluations and the ARIE. PPEs are progressing as planned. Approach papers have been prepared for all PPEs in Bosnia and Herzegovina, Chad and the Solomon Islands. International missions have already been carried out in Bosnia and Herzegovina and in the Solomon Islands. The country mission to Chad is planned for the third quarter of 2023.
- IOE has also conducted **independent reviews of:** (i) Management follow-up on the CLE on financial architecture, and (ii) the Results Management Framework of the Twelfth Replenishment of IFAD's Resources (IFAD12). The independent review is a new type of evaluation activity envisaged by the IOE multi-year evaluation strategy that allows for an assessment on specific, carefully defined topics within a short timeframe. The two reviews will be presented to the 123<sup>rd</sup> session of the Evaluation Committee in October 2023.
- IFAD has applied the **2022 Evaluation Manual** to all its evaluations. The manual covers self- and independent evaluations and reflects recognized international good evaluation standards and practices, such as those of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC), the Evaluation Cooperation Group (ECG) and the United Nations Evaluation Group (UNEG). In 2023, the

translation of the manual into Arabic was completed, and the document is now available in all the official languages of IFAD. IOE is also planning to prepare a module to enhance evaluation engagement, building on neuroscience literature, holding training activities to disseminate it. In 2023, IOE has also produced guidance on geospatial tools and applications to enhance the evidence base of its evaluations.<sup>17</sup>

- **Evaluation Advisory Panel.** The Director of IOE has formed an Evaluation Advisory Panel to further IOE's independence, credibility and utility. IOE will hold the second workshop for the advisory panel in November 2023. Panel members will meet with representatives of the Evaluation Committee, Senior Management and IOE staff.
- **Knowledge management and communication.** Between 1 June 2022 and 30 September 2023, IOE published and disseminated 16 evaluation reports, 1 infographic, 59 news items, 42 event pages, 14 "coffee talk" fact sheets, 1 learning note, 2 research papers and 3 evaluation briefs to internal and external audiences. It also published 3 issues of *Independent Magazine* and 3 newsletters. In addition, it created 2 blog posts, 4 episodes of the "60 Seconds with the Director" video series, 3 feature promotional videos, 8 fully live learning event videos and 13 video event excerpts from the Innovation Talk.
- **Learning events in collaboration with IFAD Management.** Pursuant to the commitment to ensuring learning as part of the evaluation process, IOE has worked in partnership with Management to organize a series of learning workshops. These have maximized engagement by bringing in diverse country stakeholders to reflect more deeply on its work. Between 1 June 2022 and 30 September 2023, IOE held online learning workshops for the China CSPE, Ethiopia CSPE, Guinea-Bissau CSPE, Colombia CSPE, Kyrgyzstan CSPE; the PCE on rural finance in East and Southern Africa and the PCE on rural enterprise development; the subregional evaluation of countries with fragile situations within the West and Central Africa Division of IFAD; and an IOE thematic evaluation workshop on IFAD's support for gender equality and women's empowerment.
- IOE also hosted the IFAD Innovation Talk "Evaluation through the lens of brain science: Building a humanized approach for better results". Management collaborated in these events as keynote speakers, presenters and panellists.
- Looking ahead, IOE will organize a learning workshop for the CLE on IFAD's decentralization, in October 2023.
- **Cooperation with evaluation networks, academic institutions and think tanks.** IOE participated in and contributed to: (i) ECG meetings (fall 2022 and spring 2023); (ii) the third dialogue in the Wilton Park series on transformational change; (iii) Asian Evaluation Week 2023; (iv) the 2022 IDEAS Conference and Global Assembly, and Award on Evaluation for Transformational Change; (v) the 2022 National Evaluation Capacities Conference (NEC); (vi) the UNEG Annual General Meeting 2023; (vii) the European Investment Bank's high-level conference "Picking up the pace: Evaluation in a rapidly changing world"; (viii) the gLOCAL Evaluation Week; (ix) the 2023 Canadian Evaluation Society Conference; and (x) two UNEG evaluation practice exchange seminars.
- IOE hosted the 2023 Annual Meeting of the International Research Group for Policy and Programme Evaluation (IntEVAL), held at IFAD headquarters in May. A report was produced on the event. As a part of its engagement with the group, IOE contributed to co-editing the book *Policy Evaluation in the Era*

<sup>17</sup> <https://ioe.ifad.org/en/w/geospatial-tools-and-applications-to-support-ioe>.

of COVID-19, published in 2023 and has supported open access publishing of the book, to broaden the audience.

- In addition, IOE made substantive contributions to the academic debate through presentations at world-renowned institutions, including the Yale School of Management, the European Institute of Innovation for Sustainability, the University of the Witwatersrand School of Governance, the University of KwaZulu-Natal School of Education, and the Graduate School of Public Administration of Seoul National University.
- Looking ahead, IOE will be involved in the Islamic Development Bank's evaluation symposium on the future of development evaluation, in October 2023. IOE will also host a seminar on the evaluation being carried out by the European Bank for Reconstruction and Development on the implementation of its Agribusiness Strategy, in November 2023, and will co-organize a conference on targeting the poor at the University of Arizona, Tucson, in November 2023.

## B. 2022 and 2023 budget utilization

113. Table 1 shows IOE budget utilization in 2022 and in 2023, up to mid-September, and the projected rate at year-end. In 2022, IOE utilized 94 per cent of its non-staff budget to implement its work programme. Total budget utilization in 2022 was adversely affected by lengthy vacancies in four staff positions during the year. Moreover, IOE found that the standard IFAD staff budget estimates needed to be adjusted to IOE's requirements. In consultation with the Office of Strategic Budgeting (OSB), IOE has revised its staff budget estimate. This is explained further below.

Table 1

### IOE budget utilization in 2022 and projected utilization in 2023 (as of end-June 2023)

(United States dollars)

<i>Evaluation work</i>	<i>Approved budget 2022</i>	<i>Budget utilization 2022</i>	<i>Approved budget 2023</i>	<i>Commitment as of mid-September 2023</i>	<i>Expected utilization as of year-end 2023</i>
<b>Non-staff costs</b>					
Travel costs		302 445		370 640	400 000
Consultant fees		1 748 630		1 410 472	1 820 000
Evaluation outreach, staff training and other costs		271 241		168 212	220 200
<b>Subtotal</b>	<b>2 460 000</b>	<b>2 322 316</b>	<b>2 490 000</b>	<b>1 949 324</b>	<b>2 440 200</b>
<b>Non-staff budget utilization</b>		<b>94%</b>		<b>78%</b>	<b>98%</b>
<b>Staff costs</b>	<b>3 388 338</b>	<b>2 705 572</b>	<b>3 481 000</b>	<b>3 299 917</b>	<b>3 299 917</b>
<b>Total</b>	<b>5 848 338</b>	<b>5 027 888</b>	<b>5 971 000</b>	<b>5 249 241</b>	<b>5 740 117</b>
<b>Total budget utilization</b>		<b>86%</b>		<b>88%</b>	<b>96%</b>

## III. IOE 2024 work programme

### A. Proposed work programme for 2024

114. The IFAD Executive Board approved an IOE multi-year evaluation strategy in 2021, which helped guide the choice of evaluative work to be undertaken in 2024 and the detailed consultation with all division heads in the Programme Management and Strategy and Knowledge Departments, as well as the department heads. The objectives established in the multi-year strategy 2022–2027 are to:

- Contribute to forging IFAD's corporate culture as a **transparent, learning-oriented and accountable organization** by providing IFAD governing bodies, Management, governments and national development partners with assessments and knowledge that are critical to fulfilling the

commitments made under the Eleventh Replenishment of IFAD's Resources (IFAD11), IFAD12 and IFAD13;

- (b) Improve evaluation **coverage** and promote transformative evaluations reflecting the scale and scope of IFAD operations, ensuring methodological rigour, attention to inclusiveness and cultural responsiveness, flexibility and cost-effectiveness;
  - (c) Engage with Management, Member States and external partners to support **evaluation capacity** and use within and outside IFAD; and
  - (d) Retain and deepen IOE's position as an **internationally recognized leader** in the evaluation of rural development programmes, policies and strategies by further strengthening the relevance of its work, promoting innovative approaches and the adoption of technology for evaluation and enhancing collaboration with evaluation functions in other organizations and with think tanks and universities.
115. In terms of contributing to IFAD's position as a **transparent, learning-oriented and accountable organization**, in 2024 IOE will complete a thematic evaluation on IFAD-funded interventions on human nutrition. The latter became a priority theme of IFAD's strategic agenda under IFAD10 and was further emphasized under IFAD11 and IFAD12, leading to two action plans (2016–2018 and 2019–2025). The evaluation will assess progress made at the strategic, policy and operational levels. The evaluation will also review selected pre-IFAD11 projects to assess their degree of impact on nutrition. Nutrition-sensitive projects designed under IFAD11 and IFAD12 are at the midterm review stage and thus may not allow for a full impact assessment. The desk review for this evaluation will begin in September 2023, and the approach paper will be presented to the Evaluation Committee in 2024.
116. In 2024, IOE plans to begin a CLE on IFAD11 and IFAD12, to be completed in 2025, in line with the first objective of the IOE multi-year strategy. This evaluation will cover the implementation period of the two replenishment cycles (2019–2021 and 2022–2024). Similar "comprehensive" institutional evaluations have been or are being conducted in other international financial institutions – for example, the Asian Development Bank, the Inter-American Development Bank and the Global Environment Facility. In 2013, IOE conducted a CLE on IFAD Replenishment focusing on the replenishment consultation process. The proposed new CLE will assess: (i) the strategic directions promoted by IFAD11 and IFAD12 consultations; how they interfaced and supported the longer-term directions adopted by the IFAD Strategic Framework 2016-2025; (ii) the progress of IFAD-funded operations in furthering the replenishment agenda, the results achieved thus far, the lessons learned and the extent to which they have been incorporated in the IFAD13 Consultation; (iii) the specific progress made in thematic areas such as natural resource management and climate change adaptation, gender, nutrition, youth and the targeting of vulnerable groups; (iv) organizational adjustment (including human resource matters) that have taken place at IFAD and the extent to which they support IFAD's engagement with its Member States and other development partners; and (v) the evolution of IFAD's financial architecture and how it helps IFAD meet rural development needs in the countries in which it operates.
117. The evaluation will provide recommendations that can pave the way for the IFAD14 Consultation and can be completed in time to submit the main findings to IFAD's Management and governing bodies to enable them to prepare for the consultation. IOE will engage with the governing bodies and Management in the preparation of the approach paper to ensure that this CLE responds to their needs and to facilitate the use of its findings and recommendations.
118. IOE will continue to issue the Annual Report on the Independent Evaluation of IFAD (ARIE) – a revamped version of the Annual Report on Results and Impact of IFAD Operations (ARRI) – which was introduced in 2022. The ARIE will retain the ratings



analysis while providing more information on the full range of IOE activities. The 2024 ARIE will include an analysis of cofinancing, with special attention to international cofinancing of IFAD-funded projects. It will also review evidence of the effects of COVID-19 on IFAD operations.

119. In terms of **improving evaluation coverage to reflect the scale and scope of IFAD operations**, IOE will complete the CSPEs in Argentina and Türkiye, begun in 2023; work on data collection for new CSPEs in Egypt, the Dominican Republic, Ghana, the Lao People's Democratic Republic and Zimbabwe; and conduct preparatory activities for a CSPE in the Plurinational State of Bolivia (with data collection and reporting planned for 2025). It should be noted that this is the first time that country-level evaluations are being conducted for the Dominican Republic, the Lao People's Democratic Republic and Zimbabwe. IFAD's cumulative loans approved in these countries amount to US\$1.93 billion.
120. In 2024, IOE will complete a subregional evaluation (SRE) on the Dry Corridor of Central America and begin an evaluation of IFAD operations in small island developing states, to be completed in 2025. In 2014, IFAD prepared a paper on its approach in small island developing states.<sup>18</sup> In 2022, IFAD presented a new Strategy for Engagement in Small Island Developing States, covering the period 2022-2027.<sup>19</sup> This evaluation will take stock of the evidence on IFAD's experience since 2014, its trajectory in more recent years and the changes that have occurred since approval of the recent strategy. The evaluation will include country case studies conducted through in-person missions.
121. In 2024, IOE will conduct PPEs for the following four projects: (i) Cabo Verde Rural Socio-economic Opportunities Programme; (ii) Lesotho Wool and Mohair Promotion Project; (iii) Montenegro Rural Clustering and Transformation Project; and (iv) Sri Lanka Smallholder Tea and Rubber Revitalization Project. The PPE in Cabo Verde will support IOE's planned evaluation on small island developing states by providing empirical evidence at the project level. The PPEs in Cabo Verde and Montenegro are the first in these countries. Total IFAD financing for these projects amounts to US\$111.4 million.
122. IOE will continue to conduct project completion report validations (PCRVs). Ratings from the PCRVs are used for time series analyses of ratings presented in the ARIE. Furthermore, substantive findings from the PCRVs are used as evidence for country-level, subregional and thematic evaluations, which is triangulated with other sources (e.g. stakeholder interviews, field visits).
123. In terms of **evaluation capacity development**, IOE will continue to support the capacity of IFAD staff for self-evaluation, based on the 2022 Evaluation Manual, in collaboration with Management. The Evaluation Manual is a living document, and IOE will add new modules linked to relevant material (on methodology and evaluation management skills) as further reference material for staff interested in improving their knowledge about evaluation.
124. IOE will also continue to support the Global Evaluation Initiative, led by the World Bank's Independent Evaluation Group, in collaboration with the United Nations Development Programme (UNDP) Independent Evaluation Office. In particular, as part of this initiative, a proposal to support monitoring and evaluation capacity in the International Strategic Centre for Agri-food Development of the Republic of Uzbekistan is under review and reconnaissance missions have been conducted.
125. In terms of **furthering IOE's leadership role in evaluation**, IOE plans to continue engaging with international evaluation networks and related international initiatives, including international evaluation associations and IntEVAL. IOE will

<sup>18</sup> <https://www.ifad.org/documents/38714170/39135645/IFAD%27s+approach+in+Small+Island+Developing+States+-+A+global+response+to+island+voices+for+food+security.pdf/9b62896e-10e3-420a-804a-5fffaa8821d2?t=1510322602000>.

<sup>19</sup> <https://www.ifad.org/en/-/ifad-strategy-for-engagement-in-small-island-developing-states-2022-2027>.



continue to contribute actively to evaluation events and discussions at the country, regional and global level.

126. IOE will continue engaging with its Evaluation Advisory Panel to improve the quality of its work and remain at the cutting edge of the rural development evaluation field. To this end, the annual workshop with the Evaluation Advisory Panel will be held in 2024 at IFAD headquarters.
127. The proposed list of IOE evaluation activities for 2024 is presented in annex V and the indicative plan for 2025–2026, in annex VI.

## **IV. 2024 resource envelope**

### **A. Staff resources**

128. Until 2023, the IOE staff budget followed IFAD standards per category and grade level. However, IFAD's overall standard costs for the Professional-and-higher grade category reflect changes in salary components typical of a decentralized staff population (e.g. higher post-adjustments, indemnities and other allowances). These do not apply to IOE, since its Professional staff are based in Rome only. OSB has provided IOE with updated estimates for its staff budget, which are lower than IFAD standard staff costs and have been used to calculate IOE's staff budget for 2024.
129. IOE received feedback on the preview of its programme of work and budget at the 122<sup>nd</sup> session of the Evaluation Committee, the 170<sup>th</sup> meeting of the Audit Committee and the 139<sup>th</sup> session of the Executive Board in September 2023. Members noted the decline in the IOE budget in recent years, both in absolute numbers and as a percentage of IFAD's overall administrative budget. Some members expressed concern as to whether the current level of resources was a constraint to IOE's programme delivery.
130. IOE takes a cautious approach to assessing its human and financial resource needs. After receiving the above feedback, it revised its staff complement proposal taking into account: (i) its multi-year strategy for 2022-2027; and (ii) the request for country-level evaluations and other strategic evaluations that emerged during its interactions with divisions in the Programme Management Department and the Strategy and Knowledge Department. IOE proposes adding a new post at the P-4 level to enhance its capacity to conduct strategic evaluations such as CSPEs and, selectively, subregional evaluations and evaluation syntheses.
131. At present, the demand for country-level evaluations and for subregional and synthesis work from IFAD's Management exceeds IOE's workforce capacity. As an example, with its current staff resources IOE is able to cover about half of the country strategic opportunities programmes that reach the end of their time frame. Yet IFAD's operations take place in developing countries, where the benefits to rural people are generated. Moreover, evaluation becomes even more important in a decentralized structure. The above proposal would ensure, in the long term, better coverage of IFAD's portfolio and thematic areas of focus.
132. IOE is also planning to upgrade a knowledge management and communication post to senior level, i.e. from P-3 to P-4, to provide higher-level strategic advice to the Director IOE on communication and knowledge management and strengthen the activities of capitalizing and disseminating lesson learned within IFAD and international networks. This is in line with the multi-year IOE strategy. IOE will fully absorb the cost within its current budget and this change will have no incremental effect on the same.
133. With these changes, IOE will reach the level of resources and required seniority of staff complement to better pursue the objective of its multi-year strategy. IOE will continue to plan its work programme size prudently, acknowledging that IFAD Management requires human and financial resources to cooperate in the evaluation process and to follow up on the recommendations.

134. In sum, the 2024 proposal for IOE's staff budget combines two cost drivers: (i) an upward revision in the staff complement; (ii) a slight reduction in unit staff costs, after the reassessment undertaken in collaboration with OSB. The net effect is a small increase in staff costs as explained in the next sections.

Table 2

**Staffing in 2023 and proposed staffing in 2024**

<i>Category</i>	<i>2023</i>	<i>2024 (proposed)</i>
<b>Professional staff</b>		
Director	1	1
Deputy Director	1	1
Lead evaluation officers	3	3
Senior evaluation officers	4	5
Evaluation officers	4	4
Evaluation research analyst	1	1
Evaluation knowledge and communication officer*	1	1
<b>Subtotal – Professional staff</b>	<b>15</b>	<b>16</b>
<b>General Service staff</b>		
Administrative associate	1	1
Associate to Director	1	1
Assistant to Deputy Director	1	1
Evaluation assistants	4	4
<b>Subtotal – General Service staff</b>	<b>7</b>	<b>7</b>
<b>Grand total</b>	<b>22</b>	<b>23</b>

\* To be upgraded to senior evaluation knowledge and communication officer from 2024.

## **B. Budget requirements**

135. Table 3 presents the proposed budget by type of activity, and table 4, by strategic objective. Table 5 contains the IOE gender-sensitive budget, which indicates the budget distribution for gender-related activities.
136. **Assumptions.** The parameters used to develop the current proposed 2024 budget are as follows: (i) IOE-specific staff costs re-estimated in consultation with OSB; (ii) inflation absorbed to the extent possible; and (iii) the US\$:EUR exchange rate per IFAD's assumptions.

Table 3

**Proposed budget for 2024 by type of activity and comparison with previous budgets**

<i>Type of activity</i>	<i>Approved 2021 budget (US\$)</i>	<i>Approved 2022 budget (US\$)</i>	<i>Approved 2023 budget (US\$)</i>	<i>Proposed 2024 budget (US\$)</i>	<i>Absolute number 2023</i>	<i>Absolute number 2024</i>
<b>Non-staff costs</b>						
ARRI/ARIE, CLE, thematic evaluation, evaluation synthesis and corporate-level reviews	400 000	570 000	625 000	630 000	7	4
SREs and CSPEs	1 140 000	950 000	975 000	1 080 000	8	10
Project-level evaluations (PCEs, PPEs, PCRVs and impact evaluations [IE])	340 000	420 000	360 000	320 000	40*	40*
Evaluation Manual	80 000	30 000	-	-		
IOE multi-year strategy	10 000	-	-	-		
Knowledge-sharing, publication, communication, evaluation outreach and partnership activities	270 000	270 000	290 000	280 000		
Evaluation capacity development, training and other costs	120 000	200 000	220 000	210 000		
Buffer for unforeseen evaluation work	70 000	20 000	20 000	20 000		
<b>Total non-staffing costs</b>	<b>2 430 000</b>	<b>2 460 000</b>	<b>2 490 000</b>	<b>2 540 000</b>		
<b>Staffing costs</b>	<b>3 388 338</b>	<b>3 388 338</b>	<b>3 481 000</b>	<b>3 604 000</b>		
<b>Total budget</b>	<b>5 818 338</b>	<b>5 848 338</b>	<b>5 971 000</b>	<b>6 144 000</b>		

\* This number is indicative, as the number of PCRVs depends on the number of project completion reports that IOE receives each year. The actual number of PCRVs conducted may differ.

137. **Budget by divisional goals.** Table 4 shows the allocation of IOE's total proposed budget for 2024, including both staffing and non-staffing costs, against IOE's strategic objectives.

Table 4  
**Proposed 2024 budget allocation by strategic objective**

<i>Strategic objective</i>	<i>Budget</i>	<i>% of total budget</i>
Contribute to forging IFAD's corporate culture as a <b>transparent, learning-oriented and accountable organization</b> by providing IFAD governing bodies, Management, governments and national development partners with assessments and knowledge that are critical to fulfilling the commitments made under IFAD11, IFAD12 and IFAD13	1 720 320	28
Improve evaluation <b>coverage</b> and promote transformative evaluations reflecting the scale and scope of IFAD operations and ensuring methodological rigour, attention to inclusiveness and cultural responsiveness, flexibility and cost-effectiveness	3 379 200	55
Engage with Management, Member States and external partners to support <b>evaluation capacity</b> and use within and outside IFAD	552 960	9
Retain and deepen IOE's position as an <b>internationally recognized leader</b> in the evaluation of rural development programmes, policies and strategies, by further strengthening the relevance of its work, promoting innovative approaches and the adoption of technology for evaluation, and enhancing collaboration with evaluation functions in other organizations and with think tanks and universities	491 520	8
<b>Total</b>	<b>6 144 000</b>	<b>100</b>

Note: percentages are rounded up.

138. **Gender-sensitive budget.** Gender-sensitive budgeting was first introduced by IOE in 2015 and, at that time, the gender component of the budget was estimated at 5.8 per cent of the total.<sup>20</sup> Subject matter and methodological experience on addressing gender equality have grown since then and have been applied to the evaluation cycle, including scoping, data collection, peer review, and report finalization and dissemination. This is in line with the heightened priority that the theme has been given at IFAD. The central transformative principle of the 2030 Agenda for Sustainable Development – to leave no one behind – is reflected in the 2022 Evaluation Manual and IOE's multi-year strategy. IOE conducts a thorough review of gender equality in its evaluations (including the issue of transformational change and intersectionality). The estimates presented in table 5 are based on an assessment of the time and resources that are typically devoted to gender equality in several types of evaluation activities.
139. The figures in table 5 also reflect the finalization and communication activities foreseen for 2024 regarding the thematic evaluation on gender equality and the importance of gender equality as a part of the thematic evaluation on nutrition. Figures on staffing costs related to gender equality have been revised upwards for 2024, as increased resources will be allocated to the IOE gender focal point. Moreover, the estimated percentage of staff costs to be devoted to gender equality has been brought in line with relevant percentages of non-staff resources. Estimates for the total gender budget proportion have more than doubled since 2015.

<sup>20</sup> <https://webapps.ifad.org/members/ec/89/docs/EC-2015-89-W-P-3.pdf>.

Table 5  
IOE 2024 gender-sensitive budget

Type of activity	Proposed 2024 budget	Gender component (percentage)	Gender component (US\$)
<b>Non-staffing costs</b>			
ARIE, CLEs, thematic evaluations, evaluation synthesis and corporate-level reviews	630 000	20	126 000
SREs and CSPEs	1 080 000	13	140 400
Project-level evaluations (PCEs, PPEs, PCRVs and IEs)	320 000	11	35 200
Knowledge-sharing, communication, evaluation outreach and partnership activities	280 000	10	28 000
Evaluation capacity development, training and other costs	210 000	10	21 000
Buffer for unforeseen evaluation work	20 000	10	2 000
<b>Total non-staffing costs</b>	<b>2 540 000</b>	<b>13.9</b>	<b>352 600</b>
<b>Staffing costs</b>			
Gender focal point and alternate gender focal point*	473 000	15	70 950
Other evaluation staff members	3 131 000	11	344 410
<b>Total staffing costs</b>	<b>3 604 000</b>	<b>11.5</b>	<b>415 360</b>
<b>Total</b>	<b>6 144 000</b>	<b>12.5</b>	<b>767 960</b>

\* Assuming the collaboration of one P-4 and two P-3 staff members.

## V. IOE budget proposal and considerations for the future

140. **Current proposal.** The total budget proposed for 2024 is US\$6.144 million, which corresponds to the addition of one staff post; it reflects a small increase over the approved budget for 2023 (US\$5.971 million) and is higher than estimated in the preview presented in September 2023 (US\$5.952 million). As noted, the revised staff budget incorporates a re-estimation of IOE's budget requirements for Professional-and-higher-category posts, undertaken in collaboration with OSB. The non-staff budget has been kept at the same level as in the September 2023 preview. In nominal (and real) terms, IOE's total budget is still slightly below the 2010 and 2019 levels (figure 1).
141. IOE's budget as a percentage of IFAD's administrative budget has declined over the past decade (figure 2) and this trend will continue in 2024 under the proposed budget.<sup>21</sup> Such decline follows IOE's efforts to generate efficiency gains by fine-tuning its evaluation products and the modality used to conduct evaluations.
142. The changes proposed in this document will help IOE better cover IFAD-funded operations (notably through country-level evaluations) and their development results, and contribute to institutional learning. They will provide more space for collaborative work with Management and flexibility to respond to requests from the governing bodies.

<sup>21</sup> In figure 2, IOE is using the level of IFAD administrative budget presented in the 2024 preview as a base for computing the ratio for 2024.

Figure 1  
**IOE budget (2010–2024)**  
 (Millions of United States dollars)

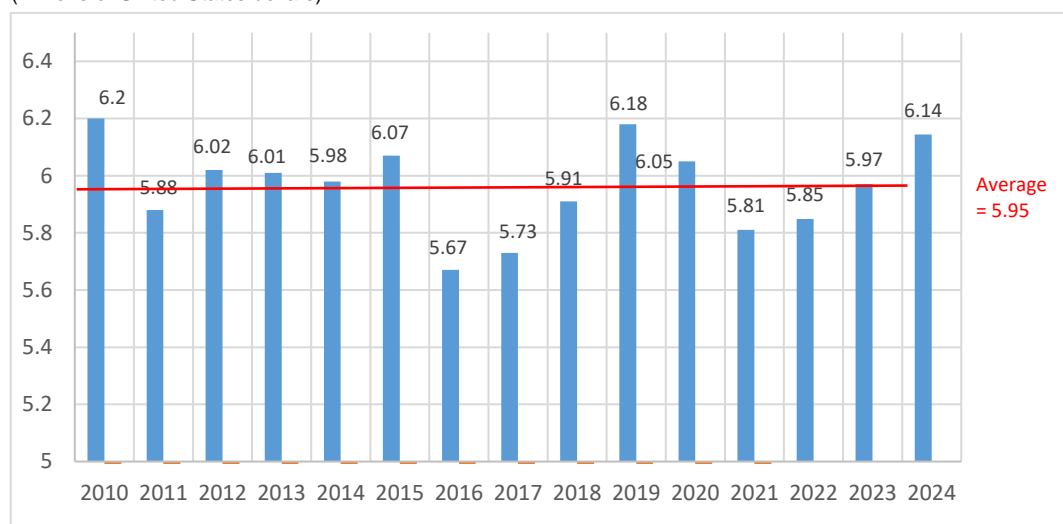
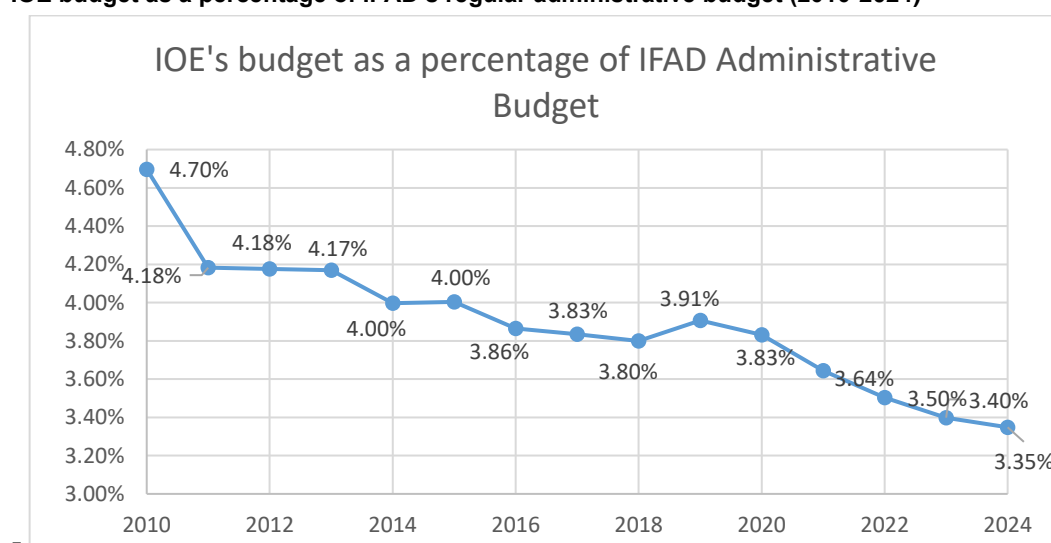


Figure 2  
**IOE budget as a percentage of IFAD's regular administrative budget (2010-2024)**



143. IOE's budget cap is fixed at 0.90 per cent of IFAD's programme of loans and grants (PoLG). As decided by the Executive Board at its 131<sup>st</sup> session, the ratio of the IOE budget to the average PoLG is calculated over the three years of a given replenishment period. For the IFAD12 period (2022-2024), the revised IFAD's total PoLG is expected to be US\$3.354 billion, which, when spread over three years, comes to US\$1.118 billion annually. Thus, IOE's proposed budget of US\$6.144 million represents approximately 0.55 per cent of IFAD's PoLG, well below the cap.
144. IFAD's budget rules allow for a limited carry-over of the IFAD administrative budget and IOE budget from one year to next. IOE's level of carry-over will reflect the agreement made for IFAD's administrative budget, and its utilization will be in line with the relevant organizational guidelines.

## Part three – Enhanced Heavily Indebted Poor Countries Initiative progress report for 2023

### I. Introduction

145. The objective of this progress report as at 30 September 2023 is to:

- Inform the Executive Board of the status of implementation of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and of IFAD's participation in the Initiative; and
- Seek Executive Board approval for submitting the substance of this progress report to the Governing Council at its forthcoming session for information.

### II. Background

146. The HIPC Debt Initiative was established in 1996 as a joint collaboration between the World Bank and the International Monetary Fund and other multilateral institutions, including IFAD, with the aim of providing debt assistance to eligible developing countries. The HIPC Initiative does not affect the preferred creditor status of participating institutions. Neither is it seen as a mechanism to settle arrears, and indeed one of the preconditions for a country's eligibility to become a beneficiary of the HIPC Initiative is not having arrears. A percentage of debt is forgiven, on a pay-as-you-go basis, by all participating lenders following satisfactory economic performance/reforms.<sup>22</sup>

147. The Governing Council, at its twentieth session held in February 1997, approved IFAD's participation in the International Monetary Fund (IMF) and World Bank Debt Initiative for Heavily Indebted Poor Countries as an element of IFAD's broader policy framework for managing operational partnerships with countries that have arrears with IFAD, or that face the risk of having arrears in the future because of their debt-service burden (see EB 96/59/R.73 and GC 20/L.6, resolution 101/XX). The Governing Council delegated authority to the Executive Board to approve, on a country-by-country basis, the debt relief required from IFAD as part of the overall HIPC Debt Initiative effort to reduce a country's debt to a sustainable level.

148. In February 1998 IFAD established a HIPC Trust Fund to receive resources to fund the HIPC Debt Initiative, specifically dedicated as compensation to the loan-fund account(s) for agreed reductions in loan repayments under the initiative. Contributions may be denoted either for the relief of debt of specific countries, or for the general relief of those countries included in the HIPC programme. In 2006, to mitigate the impact of debt relief on resources available for commitment to new loans and grants, Member States supported IFAD's formal access to the HIPC Trust Fund administered by the World Bank (subsequently renamed the Debt Relief Trust Fund [DRTF]). Since then, two thirds of HIPC debt relief has been funded by the DRTF.

149. HIPC debt relief is provided upon reaching certain milestones, which are closely monitored by the World Bank and IMF:

- **Pre-decision point:** Countries are monitored by IMF and the World Bank to determine arrears settled or going to be settled, as well as for indications of macroeconomic reforms.
- **Decision point:** The World Bank and IMF review macroeconomic conditions in the country and, if satisfactory, declare the decision point to have been reached, upon which debt relief is quantified. A number of assumptions such

<sup>22</sup> The enhanced HIPC Initiative was adopted by the World Bank and IMF in the fall of 1999 to accelerate the delivery of HIPC Initiative assistance and link debt relief more firmly and transparently to poverty reduction. At the same time, the enhancements more than doubled the projected amount of relief to be provided under the original initiative.

as the discount factor or common reduction factor are defined at decision point.

- **Interim debt relief:** In some cases, as endorsed by the World Bank and IMF, interim debt relief is provided on debt service falling due in the period between the HIPC decision and completion points.
  - **Completion point:** Debt relief is provided.
150. Debt relief is provided through the reduction by up to 100 per cent of the respective country's semi-annual debt-service obligations to IFAD (principal, service charges and interest payments), as these fall due, up to the aggregate net present value amount approved.

### III. Progress in the implementation of the HIPC Initiative

#### Completion point countries

151. Progress has been made in the implementation of HIPC since the Initiative's inception. Approximately 92 per cent of eligible countries (35 out of 38) have reached completion point, thereby benefiting from HIPC assistance (see table 1 below). Completion point countries are entitled to debt relief for an amount of about US\$492.7 million. As at 30 September 2023, debt relief already provided amounted to US\$482.1 million, with a remaining balance of approximately US\$10.6 million in debt relief to be provided in future periods.

#### Decision point countries

152. Substantial progress has been made in the past year with two countries, Somalia and Sudan, reaching decision point. The IMF and International Development Association (IDA) executive boards have agreed to support a comprehensive debt-reduction package for both countries under the enhanced HIPC Debt Initiative. In April 2022, at its 135<sup>th</sup> session, the Executive Board approved decision point for both countries.

#### Somalia

153. As a precondition to allow the debt relief to be effected at completion point, arrears have to be cleared with all international financial institutions.<sup>23</sup> Somalia has long-outstanding loan arrears with IFAD. Management supported the Government of Somalia to find a suitable solution in line with the clearance practices adopted by other financial institutions. The exercise was successful and contributions have been received, in particular from: Belgium (EUR 2.5 million), Italy (EUR 0.5 million), Sweden (SEK 10.0 million) and Germany (EUR 6.0 million).
154. In addition, Somalia is entitled to HIPC debt relief for an estimated overall amount of SDR 13.8 million<sup>24</sup> in nominal terms. During 2023, IFAD received a contribution from the DRTF for interim debt relief for Somalia of approximately US\$5.9 million (equivalent to SDR4.4 million). The remaining debt relief to be provided is therefore estimated at US\$12.3 million (equivalent to approximately SDR 9.4 million).

#### Sudan

155. Unless otherwise agreed by the Executive Board, Sudan would be entitled to HIPC debt relief at completion point for an amount of SDR 72.4 million in nominal terms.<sup>25</sup> Completion point conditions are closely monitored by the IMF and World Bank and are subject to the implementation of the rural poverty reduction strategy.

<sup>23</sup> Nearly all the country's official external debt was in arrears at end-2018, including to IDA, IMF and the African Development Bank (AfDB). Somalia has now cleared its arrears to IDA and the AfDB, and has agreed an approach to clear its arrears to the IMF, which has granted interim assistance.

<sup>24</sup> Somalia debt relief is projected at SDR 12.6 million in net present value terms. Completion point is foreseen for 2023.

<sup>25</sup> Sudan debt relief is projected at SDR 65.3 million in net present value terms. Completion point is monitored by the DRTF.



**Pre-decision point countries**

156. As at 30 September 2023, Eritrea was still at the pre-decision point stage and has yet to start the process of qualifying for debt relief under the Initiative. Debt relief is projected at approximately SDR 14.0 million. The main debt relief assumptions and conditions have yet to be confirmed by the World Bank and IMF.
157. The table below provides an illustrative summary of countries participating in the enhanced HIPC Initiative by stage.

Table 1

**Member States participating in the enhanced HIPC Initiative, by stage**

<i>Completion point countries (35)</i>	<i>Decision point countries (2)</i>	<i>Pre-decision point countries (1)</i>
Benin Bolivia (Plurinational State of) Burkina Faso Burundi Cameroon Central African Republic Chad Comoros Congo Côte d'Ivoire Democratic Republic of the Congo Ethiopia Gambia (The) Ghana Guinea Guinea-Bissau Guyana Haiti Honduras Liberia Madagascar Malawi Mali Mauritania Mozambique Nicaragua Niger Rwanda Sao Tome and Principe Senegal Sierra Leone Togo Uganda United Republic of Tanzania Zambia	Somalia Sudan	Eritrea

**IV. Total IFAD commitments to the HIPC Initiative**

158. The Fund's participation in the overall enhanced HIPC Initiative corresponds to US\$626.2 million, including also future debt relief entitlements, as indicated in table 2 below. The actual amount may vary from the current estimates depending on changes in economic conditions, HIPC discount rates and potential delays in the remaining countries reaching the decision and completion points.

Table 2

**HIPC commitments**

(Millions of SDR and millions of United States dollars)

	<i>NPV</i>		<i>Nominal</i>	
	<i>SDR</i>	<i>US\$<sup>a</sup></i>	<i>SDR</i>	<i>US\$<sup>a</sup></i>
Completion point countries ( <i>approved</i> )	247.2	324.7	375.1	492.7
Decision point countries <sup>b</sup>	77.9	102.4	86.2	113.2
Pre-decision point	13.8	18.2	15.4	20.3
<b>Total</b>	<b>338.9</b>	<b>445.2</b>	<b>476.7</b>	<b>626.2</b>

<sup>a</sup> Exchange rate prevailing on 30 September 2023 of 1.3136.<sup>b</sup> Figures include Somalia and Sudan HIPC entitlements.

159. As at 30 September 2023, the Fund had provided debt relief amounting to US\$487.9 million to eligible countries at completion point, while future debt relief already approved for completion point countries is equivalent to US\$10.6 million. It should be noted that IFAD future commitments, including cases yet to be approved, will amount to US\$138.3 million, as shown in table 3 below.

Table 3

**HIPC debt relief for completion point countries**

(Millions of SDR and millions of United States dollars)

			<i>Nominal</i>	
			<i>SDR</i>	<i>US\$<sup>a</sup></i>
<b>Debt relief provided</b>				
Completion point countries			367.0	482.1
Decision point countries <sup>b</sup>			4.4	5.8
<b>Subtotal - debt relief provided</b>			<b>371.4</b>	<b>487.9</b>
<b>Future debt relief</b>				
Completion point countries	<i>Approved</i>		8.1	10.6
Decision point	<i>Approved</i>		81.8	107.4
Pre-decision point	<i>To be approved</i>		15.4	20.3
<b>Subtotal - future debt relief</b>			<b>105.3</b>	<b>138.3</b>
<b>Total</b>			<b>476.7</b>	<b>626.2</b>

<sup>a</sup> Exchange rate prevailing on 30 September 2023 of 1.3136.<sup>b</sup> Interim debt relief to Somalia.

## V. Financing IFAD HIPC debt relief

160. IFAD has funded its participation in the HIPC Initiative with external contributions (either paid directly to IFAD or transferred through the DRTF) and its own resources from 1998 to 2023<sup>26</sup> as follows:

- External contributions<sup>27</sup> paid amounting to about US\$293.0 million (52.8 per cent),
- Contributions from IFAD's own resources amounting to about US\$253.3 million (45.7 per cent),
- Investment income from the IFAD HIPC Trust Fund amounting to approximately US\$8.4 million.

161. To mitigate the impact of debt relief on resources available for commitment for new loans and grants, Member States have supported IFAD's formal access to the DRTF administered by the World Bank. As agreed in 2006, and in accordance with the

<sup>26</sup> Resources pertain to funding for HIPC debt relief entitlements for completion point and interim debt relief.<sup>27</sup> External contributions include contributions from Member States in the amount of US\$71.5 million and contributions from the DRTF in the amount of US\$215.6 million.

enhanced HIPC Initiative procedures, two thirds of HIPC entitlements are compensated by the DRTF, while the remaining portion is funded by IFAD resources, which may include additional contributions from Member States. Since 2006 IFAD has signed several grant agreements bringing the total received to date to US\$221.5 million to cover completion point debt relief and also interim debt relief for Somalia.

162. As mentioned above and as shown in table 4 below, future debt relief for decision point countries is estimated at approximately US\$107.4 million. Traditionally IFAD has been compensated by the DRTF for approximately 67 per cent of HIPC entitlements; for Somalia, the DRTF support has increased to 85 per cent.

Table 4

**Estimated funding for decision point countries**

(Estimates as at 30 September 2023, amounts expressed in millions of United States dollars)

	<i>DRTF</i>	<i>IFAD portion</i>	<i>Total decision point debt relief</i>
Future debt relief			
Somalia	10.5	1.8	12.3
Sudan	63.4	31.7	95.1
<b>Total</b>	<b>73.9</b>	<b>33.5</b>	<b>107.4</b>

163. While giving priority to ensuring that the IFAD HIPC Trust Fund is adequately financed, Management continues to encourage Member States to provide additional resources to help finance IFAD's participation in the HIPC Initiative.

## Part four – Progress report on implementation of the performance-based allocation system and the Borrowed Resource Access Mechanism, and 2024 lending terms

### I. Implementing the performance-based allocation system (PBAS) and the Borrowed Resource Access Mechanism (BRAM) in IFAD12

164. **The performance-based allocation system.** In 2003, IFAD adopted the PBAS as a way to allocate resources to partner countries. Since then, the application of the PBAS has provided IFAD with a transparent and predictable approach to resource allocation. The current PBAS formula is the result of a review initiated after a corporate-level evaluation (CLE)<sup>28</sup> by the Independent Office of Evaluation of IFAD in 2015 and 2016. The CLE concluded that the adoption of the PBAS had enhanced the Fund's credibility as an international financial institution, and also pointed out areas for further improvement of the PBAS formula. Based on this recommendation, the PBAS formula was updated and approved by the Executive Board.<sup>29</sup>
165. The purpose of the financial framework for the Twelfth Replenishment of IFAD's Resources (IFAD12) was to ensure the Fund's long-term financial sustainability, including the amount of grants to be allocated in line with the Debt Sustainability Framework (DSF) mechanism. In recognition of this, the IFAD12 Consultation agreed to create two separate pools of core resources: one specific to DSF-eligible countries and another for low-income countries (LICs) and lower-middle-income countries (LMICs) that are not DSF-eligible. The IFAD12 PBAS allocations have been determined in accordance with this decision. In line with the decision made by the Executive Board in 2019 to ensure that PBAS allocations remain constant throughout the replenishment cycle,<sup>30</sup> the allocations shared with Member States at the special session in February 2022 remain valid for the whole IFAD12 cycle.
166. **The Borrowed Resource Access Mechanism.** Borrowed resources are accessible to all eligible LICs, LMICs and upper-middle-income countries (UMICs) through the BRAM. In addition to complying with the country selectivity criteria mentioned above, to access the BRAM, countries need to comply with a further criterion of eligibility based on their level of indebtedness. Countries at high risk of or in debt distress will not be eligible to access borrowed resources. Special attention will be given to countries in moderate debt distress to review carefully their exposure to shocks within the overall creditworthiness assessment and their capacity to absorb additional semi-concessional debt. Other principles governing access to borrowed resources through the BRAM are: (i) supply of borrowed resources; (ii) risk-based country limits; (iii) differentiated financing conditions; and (iv) demand-based access.<sup>31</sup>
167. In line with these principles, the overall amount of borrowed resources available will be set depending on the funding strategy and the resources available for commitment. The amount of borrowing available for individual countries will be set according to risk-based ceilings and based on demand. At the same time, no country can access more than 5 per cent of available resources.<sup>32</sup>
168. **IFAD12 commitments.** During the IFAD12 Consultation, several commitments were made as regards the allocation of the Fund's resources to ensure the highest

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<sup>28</sup> EB 2016/117/R.5.

<sup>29</sup> EB 2017/121/R.3.

<sup>30</sup> EB 2019/128/R.3/Add.2.

<sup>31</sup> EB 2021/134/INF.2.

<sup>32</sup> EB 2021/132/R.9/Rev.1.

possible level of efficiency and an increased focus on the poorest countries.<sup>33</sup> Country selection criteria based on agreed parameters first introduced in IFAD11 were maintained.<sup>34</sup> Based on these, a total of 78 countries were selected to enter the IFAD12 cycle. These include 66 LICs and LMICs, and 12 UMICs.

169. Commitments were also made on the share of core resources to be allocated through the PBAS to various country groupings:
- (a) **Monitorable action 17:** Allocate 100 per cent of core resources to LICs and LMICs, ensuring that 55 per cent are allocated to Africa, and 50 per cent to sub-Saharan Africa.
  - (b) **Monitorable action 15:** Allocate at least 25 per cent of core resources to countries with fragile situations.
170. In addition, Management committed to the creation of a new financing mechanism for borrowed resources and their utilization:
- (a) **Monitorable action 18:** UMICs access between 11 per cent and 20 per cent of the IFAD12 programme of loans and grants (PoLG) through the use of borrowed resources.
  - (b) **Monitorable action 40:** Present a proposal for the establishment of an access mechanism for borrowed resources to the Executive Board.
171. **Commitment implementation status.** With the approval of the creation of the BRAM at the Executive Board session in April 2021, Management complied with monitorable action 40.<sup>35</sup> In December 2021, Management shared with the Executive Board an operationalization framework for the BRAM.<sup>36</sup> Compliance with monitorable actions 15 and 17 on the share of core resources reaching LICs, LMICs, Africa, sub-Saharan Africa and countries with fragile situations was also achieved when core resources were distributed at the beginning of the IFAD12 cycle, as reported at the special session of the Executive Board in February 2022.<sup>37</sup> Compliance with monitorable action 18 on the share of the PoLG accessed by UMICs is dependent on demand and will be monitored throughout the IFAD12 cycle.
172. The addendum to this progress report will provide information on PBAS and BRAM investment project approvals and the IFAD12 pipeline at the time of writing. It will also provide an update on the status of implementation of the Graduation Policy.

## II. Country lending terms for 2024

173. IFAD's lending terms for borrowers include loans on highly concessional, blend and ordinary terms. The lending terms are determined in accordance with the Policies and Criteria for IFAD Financing and the Framework on Financing Conditions,<sup>38</sup> primarily based on two criteria: (i) the borrower's gross national income per capita (GNIPc) as calculated by the World Bank Atlas methodology; and (ii) an assessment by the President of IFAD, taking into account the country's creditworthiness.
174. The Transition Framework,<sup>39</sup> approved by the Executive Board in December 2018, establishes the overall principles and procedures for the transition and reversal of a country's lending terms eligibility. The lending terms applicable to each country are reviewed prior to the start of every replenishment period and are effective in principle for the entire three-year period. If IFAD finds that a country has become eligible for less concessional terms, the new terms are applied gradually over the replenishment period using a phasing-out/phasing-in mechanism. The lending

<sup>33</sup> GC 44/L.6/Rev.1.

<sup>34</sup> Country selectivity criteria are: strategic focus, absorptive capacity and ownership.

<sup>35</sup> EB 2021/132/R.9/Rev.1.

<sup>36</sup> EB 2021/134/INF.2.

<sup>37</sup> EB 2022/S12/R.2.

<sup>38</sup> EB 2021/134/R.19.

<sup>39</sup> EB 2018/125/R.7/Rev.1.

terms are reviewed annually. In any such review, if a country becomes eligible for a reversal to more concessional terms, the reversal becomes effective the following calendar year.

175. In addition, for LICs that are eligible for highly concessional terms, the Fund determines whether a borrower may be eligible for grants or a mix of loans on more concessional terms under the DSF. In December 2019, the Executive Board approved a DSF reform<sup>40</sup> to tailor IFAD's response by introducing granularity of concessionality and to maximize the use of official development assistance for the poorest countries, while adhering to the international architecture of support for debt distress management:
- (i) Countries in debt distress or at high risk of debt distress receive 100 per cent of their allocation on grant terms;
  - (ii) Countries at moderate risk of debt distress with limited or some space to absorb shocks are provided with a financing package comprising 80 per cent of their allocation on super highly concessional terms and 20 per cent on highly concessional terms through the application of repayment terms for small states, resulting in a concessionality level of 71 per cent;
  - (iii) Countries at moderate risk of debt distress with substantial space to absorb shocks receive 100 per cent of their allocation on improved highly concessional terms (lending terms with higher concessionality than regular highly concessional terms through the application of repayment terms for small states), with a concessionality level of 63 per cent; and
  - (iv) Countries at low risk of debt distress have access to highly concessional terms.
176. The final lending terms applicable in 2024, determined based on the above, have been provided in the addendum to this document.<sup>41</sup>

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<sup>40</sup> EB 2019/128/R.44.

<sup>41</sup> [EB 2023/140/R.15/Add.1](#)

## Part five – Recommendations

177. In accordance with article 7, section 2(b), of the Agreement Establishing IFAD, the Executive Board has approved and is transmitting to the Governing Council:

- The programme of loans and grants for 2024 at a level of up to SDR 1,175 million (US\$1,538 million), which comprises a lending programme of SDR 1,165 million (US\$1,525 million) and a gross grant programme of SDR 10 million (US\$13 million). It is noted that the programme of loans and grants has been approved at this level for planning purposes and will be adjusted as needed during 2024 in accordance with available resources.

178. In accordance with article 6, section 10, of the Agreement Establishing IFAD and regulation VI of the Financial Regulations of IFAD, the Executive Board recommended by consensus and without objection that the Governing Council approve:

- The administrative budget comprised of, first, the regular budget of IFAD for 2024 in the amount of US\$183.41 million, which has been prepared on a cost classification basis<sup>42</sup> and includes US\$78.41 million of management resources to cover indirect costs and US\$105.00 million of programme resources to cover direct costs; second, the capital budget of IFAD for 2024 in the amount of US\$6.10 million; third, the budget of the Independent Office of Evaluation of IFAD for 2024 in the amount of US\$6.144 million;
- That unobligated appropriations at the close of the financial year 2023 may be carried forward into the 2024 financial year up to an amount not exceeding 3 per cent of the corresponding appropriations.

179. The Executive Board also recommended the submission of the following to the forty-seventh session of the Governing Council for information:

- The substance of the progress report on IFAD's participation in the Heavily Indebted Poor Countries Initiative; and
- A progress report on the implementation of the performance-based allocation system and the Borrowed Resource Access Mechanism, and 2024 lending terms, based on the report provided in part four of the present document.

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<sup>42</sup> At its 134<sup>th</sup> session the Executive Board approved the preparation and submission of the IFAD regular budget on a cost classification basis, and the incorporation of the decision into the Governing Council resolution for approval of the administrative budget of IFAD. [EB 2021/134/R.7](#).

## Draft resolution .../XXXXX

### **Administrative budget comprising the regular budget and capital budgets of IFAD and an Independent Office of Evaluation of IFAD budget for 2024**

#### **The Governing Council of IFAD,**

**Bearing in mind** article 6.10 of the Agreement Establishing IFAD and regulation VI of the Financial Regulations of IFAD;

**Noting** that, at its 140<sup>th</sup> session, the Executive Board reviewed and agreed upon a programme of loans and grants of IFAD for 2024 at a level of SDR 1,175 million (US\$1,538 million), which comprises a lending programme of SDR 1,165 million (US\$1,525 million) and a gross grant programme of SDR 10 million (US\$13 million);

**Having considered** the review of the 140<sup>th</sup> session of the Executive Board concerning the proposed regular budget, capital budget and the Independent Office of Evaluation of IFAD budget for 2024;

**Aware** that, in 2004, Governing Council resolution 133/XXVII authorized the amendment of regulation VI, paragraph 2 of the Financial Regulations of IFAD, to allow unobligated appropriations at the close of the financial year to be carried forward into the following financial year up to an amount not exceeding 3 per cent of the said financial year;

**Conscious** that the aforementioned 3 per cent carry forward currently applies to the administrative budget, and noting the need for a 3 per cent cap for carrying forward unspent balances arising from savings achieved in 2023 into the 2024 financial year to support delivery of certain corporate priorities;

**Approves** the administrative budget comprised of, first: the regular budget of IFAD for 2024 in the amount of US\$183.41 million, which has been prepared on a cost classification basis and that includes US\$78.41 million of management resources to cover indirect costs and US\$105.00 million of programme resources to cover direct costs; second, the capital budget of IFAD for 2024 in the amount of US\$6.10 million; and third, the budget of the Independent Office of Evaluation of IFAD for 2024 in the amount of US\$6.144 million, as set forth in document GC 47/L.8, determined on the basis of a rate of exchange of EUR 0.935:US\$1;

**Determines** that, in the event the average value of the United States dollar in 2024 should change against the euro rate of exchange used to calculate the budget, the total United States dollar equivalent of the euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2024 bears to the budget exchange rate; and

**Further** approves that unobligated appropriations at the close of the financial year 2023 may be carried forward into the 2024 financial year up to an amount not exceeding 3 per cent of the corresponding appropriations.



## Indicative list of countries with projects in the pipeline for 2024 (new projects and additional financing for ongoing projects)

<i>West and Central Africa</i>	<i>East and Southern Africa</i>	<i>Asia and the Pacific</i>	<i>Latin America and the Caribbean</i>	<i>Near East, North Africa and Europe</i>
<b>New projects</b>				
Cote D'Ivoire	Angola	Cambodia	Argentina	Egypt
Ghana	Comoros	China (2)	Bolivia (Plurinational State of)	Kyrgyzstan
Guinea	Kenya	India	Brazil (4)	Republic of Moldova
Niger	United Republic of Tanzania	Indonesia	Colombia	Sudan
Nigeria	Uganda	Pakistan	Honduras	Türkiye
Senegal		Papua New Guinea	Peru	Tunisia
Sierra Leone		Viet Nam (2)		Uzbekistan
7	5	9	10	7
<b>Additional financing proposals</b>				
Benin	Burundi			
Burkina Faso	South Sudan			
Chad				
Congo				
Ghana				
Nigeria (2)				
Senegal				
Togo				
9	2			
Total new projects				38
Total additional financing				11
<b>Total investments</b>				<b>49</b>

Source: Grants and Investments Project System as at 14 September 2023.

## Capital budget, 2016–2023

(Thousands of United States dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	Total
<b>ICT initiatives</b>									
Loans and grants	-	-	-	-	175	419	-	-	594
Human resources reform	480	286	-	-	-	-	-	-	766
ICO infrastructure enhancement – IT and communications	-	-	-	-	-	260	-	-	260
Institutional efficiency	975	775	-	210	200	-	600	850	3 610
Delivering as One	-	-	-	-	-	-	-	-	-
Knowledge management	-	-	-	-	-	1 015	400	-	1 415
IT infrastructure	470	890	900	640	981	1 515	1 490	840	7 726
Budget and planning systems	375	-	-	150	-	-	-	-	525
Transparency/accountability	-	-	500	-	-	110	120	-	730
Borrowing and financial systems	-	-	300	1 250	2 045	2 044	790	2 100	8 529
Corporate analytics	-	-	150	195	-	737	530	300	1 912
<b>Subtotal ICT initiatives</b>	<b>2 300</b>	<b>1 951</b>	<b>1 850</b>	<b>2 445</b>	<b>3 401</b>	<b>6 100</b>	<b>3 930</b>	<b>4 090</b>	<b>26 067</b>
<b>Non-IT headquarters projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>541</b>	<b>-</b>	<b>240</b>	<b>247</b>	<b>1 128</b>
<b>Non-IT ICO projects (incl. Decentralization Priority Plan)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375</b>	<b>1 970</b>	<b>1 794</b>	<b>4 139</b>
<b>ICO security and vehicles/MOSS compliance*</b>	<b>100</b>	<b>454</b>	<b>100</b>	<b>100</b>	<b>500</b>	<b>275</b>	<b>360</b>	<b>369</b>	<b>2 258</b>
<b>Total</b>	<b>2 400</b>	<b>2 405</b>	<b>1 950</b>	<b>2 645</b>	<b>4 442</b>	<b>6 750</b>	<b>6 500</b>	<b>6 500</b>	<b>33 592</b>

\* MOSS = United Nations Minimum Operating Security Standards.

## 2023 Carry-forward funds allocation

Priority	Description of use of carry-forward funds	2023
		3% carry-forward
IFAD13	Advocacy, partnership, communications, global engagement, for IFAD13 campaign	1 015 741
COP28	Participation and activities including IFAD pavilion, external speakers media and events, technical infrastructure and production	428 643
Decentralization	Field offices rent increment	20 000
Innovation challenge	2023 IFAD Innovation Challenge: supplemental funding allocated to support various innovation initiatives	271 442
Impact assessment	Impact assessment in 8 Countries (Benin, Cabo Verde, Cambodia, Cameroon, Colombia, Eswatini, Honduras and Madagascar)	1 613 700
Other unfunded priorities	Additional costs for: Operational Strategy and Policy Guidance Committee reviews; revision of the Whistleblower Protection Procedures and SH/SEA trainings; IFAD Food Systems Summit commitments; Farmers' Forum 2024 – Partnership in Progress report; gender and targeting performance; country advice for policy engagement; support to the Sixth Global Meeting of the Indigenous Peoples' Forum; Rural Development Report; Youth Grassroots Approach rollout in Asia.	987 980
Unallocated		2 677
<b>Total</b>		<b>4 340 183</b>

## IOE Results Management Framework for 2023<sup>43</sup>

Table 1

### IOE key performance indicators for 2023

Key performance indicator	Baseline	Target	Achievement	Notes
<b>Adoption of evaluation findings and recommendations</b>				
1. Percentage of recommendations partially or fully agreed to	99% (2020 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions [PRISMA])	95%	According to Management PRISMA (2022) self-reporting: 100% agreement (94% of recommendations were fully agreed to and the remaining 6% partially agreed to)	Available via PRISMA
2. Percentage of agreed recommendations on higher-plane evaluations implemented satisfactorily and in a timely manner	n.a.	90%	According to the IOE comments on the PRISMA 2022: 64% of the recommendations were fully implemented, 33% were under implementation and 3% were not fully addressed	Based on biannual verification by IOE on higher-plane evaluations <sup>44</sup>
<b>Coverage of IFAD programmes</b>				
3. Number of higher-level evaluation reports (corporate-level evaluations [CLEs], thematic evaluations, evaluation syntheses, country strategy and programme evaluations [CSPEs] and subregional evaluations [SREs]) published during the year	6	7-8	8	Computed on an annual basis
4. Proportion of active countries covered through subregional and country-level evaluations, project performance evaluations (PPE), impact evaluations (IE) and project cluster evaluations (PCEs) on a two-year basis	25% <sup>45</sup> (2019-2020)	28%-33%	34.4% (2022-2023) <sup>46</sup>	Computed on a biannual basis

<sup>43</sup> Drawn from IOE's multi-year strategy.

<sup>44</sup> In fact, the verification has been done annually since 2022 and is based on IOE comments on the PRISMA report.

<sup>45</sup> Countries covered by CSPEs: 10; Countries covered by PPEs: 13; Average active countries in 2019-2020: 92.

<sup>46</sup> Countries covered by SREs: 10; Countries covered by CSPEs: 12; Countries covered by PPEs: 8; Countries covered by PCEs: 7, removing 5 duplications; Number of countries with an active portfolio in 2021-2022: 93.

Engagement, outreach and feedback received				
5. Feedback received from the Executive Board and subsidiary bodies	n.a.	Tracked	Feedback is recorded in Evaluation Committee and Executive Board minutes and includes supportive remarks (examples in annex VIII)	To be reported on in qualitative terms
6. Feedback received from the Evaluation Advisory Panel on evaluation quality	n.a.	Tracked	To be presented in the Evaluation Advisory Panel's annual report	To be reported on in qualitative terms
7. Engagement events with Management and governments and feedback received	n.a.	Tracked	Per statements made at learning events (examples in annex VIII)	To be reported on in quantitative and qualitative terms
8. Number of visits to the IOE website	77 380 (2019)	80 000	127 000	Quantitative data tracked by IOE
9. Number of learning events (co-)organized by IOE	8 (2019)	10	25	Includes event at IFAD and those open to the public
10. Score assigned IOE by the United Nations System-wide Action Plan (UN-SWAP) on Gender Equality and the Empowerment of Women annual review <sup>47</sup>		Score equal to or above 9.0/12 (the threshold for exceeding requirements)	Score obtained in 2022: 10.5 (exceeds requirements)	Score from UN-SWAP, based on 13 IOE evaluations assessed in 2022
Utilization of resources and cost-effectiveness				
11. Percentage of non-staffing budget utilized	98.7% (2020)	95%-100%	94.40% (2022)	
12. Ratio of IOE budget to the programme of loans and grants	0.62% (2020)	≤0.90%	0.51% (2023)	The 0.90% cap was set by the Executive Board in 2008
13. Ratio of IOE budget to IFAD administrative budget	3.64%	Tracked	3.40% (2023)	

<sup>47</sup> The UN-SWAP on Gender Equality and the Empowerment of Women is a United Nations system-wide accountability framework designed to measure, monitor and drive progress toward a common set of standards to aspire and adhere to for the achievement of gender equality and the empowerment of women. It applies to all United Nations entities, departments and offices.

## IOE proposed evaluation activities for 2024

Table 1

### Proposed IOE work programme for 2024 by type of activity

<i>Type of work</i>	<i>Proposed activities for 2024</i>	<i>Start date</i>	<i>Expected completion date</i>
1. Corporate-level evaluations and reviews	Corporate-level evaluation of institutional and operational performance under IFAD11 and IFAD12	Jan-24	Dec-25
2. Thematic evaluations	IFAD-funded interventions in human nutrition	Sep-23	Dec-24
3. SREs	Dry Corridor in Central America	June-23	June-24
	IFAD's strategy and operations in small island developing states	June-24	Dec-25
4. CSPEs	Argentina (completion)	Oct-23	Oct-24
	Türkiye (completion)	Jun-23	Jun-24
	Dominican Republic	Dec-23	Dec-24
	Lao People's Democratic Republic	Jan-24	Dec-24
	Ghana	Jan-24	Dec-24
	Egypt	Jan-24	Dec-24
	Zimbabwe	Jun-24	Jun-25
	Bolivia (Plurinational State of)	Nov-24	Nov-25
5. Project completion report validations (PCRVs)	Validation of all project completion reports (PCRs) available in the year	Jan-24	Dec-24
6. PPEs	Cabo Verde Rural Socio-economic Opportunities Programme	Jan-24	Dec-24
	Lesotho Wool and Mohair Promotion Project	Jan-24	Dec-24
	Montenegro Rural Clustering and Transformation Project	Jan-24	Dec-24
	Sri Lanka Smallholder Tea and Rubber Revitalization Project	Jan-24	Dec-24
7. Engagement with governing bodies	Review of implementation of IOE's results-based work programme and budget for 2024 and preparation of results-based work programme and budget for 2025 and indicative plan for 2026-2027	Jan-24	Dec-24
	Annual Report on the Independent Evaluation of IFAD (ARIE)	Jun-24	Sept-24
	IOE comments on the PRISMA	Jun-24	Sept-24
	IOE comments on the Report on IFAD's Development Effectiveness (RIDE)	Jun-24	Sept-24
	IOE comments on Management policies and strategies	Jan-24	Dec-24
	Participation in Evaluation Committee, Executive Board and Governing Council sessions, selected Audit Committee meetings and the 2024 Board country visit	Jan-24	Dec-24
	IOE comments on country strategic opportunities programmes (COSOPs), when related CSPEs, are available	Jan-24	Dec-24

<i>Type of work</i>	<i>Proposed activities for 2024</i>	<i>Start date</i>	<i>Expected completion date</i>
8. Communication and knowledge management activities	Evaluation reports, IOE website and communication activities	Jan-24	Dec-24
	Communicate the evaluation findings, disseminate the lessons and promote the utilization of evaluations	Jan-24	Dec-24
	Contribute to knowledge management platforms	Jan-24	Dec-24
9. Partnerships	Evaluation Cooperation Group (ECG), United Nations Evaluation Group (UNEG); Rome-based agency (RBA) collaboration	Jan-24	Dec-24
	Global Evaluation Initiative	Jan-24	Dec-24
	Collaboration with universities, think tanks and IntEVAL	Jan-24	Dec-24
	Contribution as external peer reviewer to evaluations by other multilateral and bilateral organizations, as requested	Jan-24	Dec-24
10. Methodology	Updating of new Evaluation Manual and electronic annexes	Jan-24	Dec-24
	Annual workshop of the Evaluation Advisory Panel	May-24	Oct-24
11. Evaluation capacity development (ECD)	Engagement in ECD in the context of the Global Evaluation Initiative	Jan-24	Dec-24
	Organization of workshops in partner countries on evaluation methodologies and processes, as requested	Jan-24	Dec-24

## IOE's indicative plan for 2025–2026

Table 1

### IOE indicative plan for 2025-2026, by type of activity\*

<i>Type of work</i>	<i>Indicative plan for 2025-2026</i>	<i>Year</i>	<i>Remarks</i>
1. CLEs	IFAD external engagements	2025-2026	To review international global partnerships and initiatives in which IFAD is involved, as well as related funding sources, their management arrangements and their contribution to further IFAD's mandate.
2. Thematic evaluations (TEs)	IFAD's support to the private sector	2025-2026	IFAD's private sector engagement strategy was approved in 2019. This thematic evaluation will provide an assessment of IFAD's private sector operations.
3. Independent rapid review	IFAD ex ante quality-at-entry processes for country strategies and operations	2025-2026	To review processes for assessment of COSOPs, loans, grants and other operations before submission to IFAD's governing bodies
4. Subregional evaluations	Conflict-affected states in the Near East and North Africa region	2025	
5. CSPEs	Viet Nam	2025	
	Cameroon/Chad	2025	
	Jordan	2025	
	Honduras	2025	
	Mozambique	2025-2026	
	Democratic Republic of Congo/Togo/Sierra Leone	2026	
6. PCRVs	Validate all PCRs available in the year	2025-2026	
7. PCEs	Water management in the NEN region	2025-2026	
8. PPEs	About 4-6 PPEs per year	2025-2026	
9. Engagement with governing bodies	Annual Report on the Independent Evaluation of IFAD	2025-2026	
	Ex post review of implementation of the recommendations of selected strategic evaluations	2025-2026	
	Preparation of the results-based work programme and budget for 2025 and indicative plan for 2026-2027	2025-2026	
	IOE comments on the PRISMA	2024-2025	
	IOE comments on the RIDE	2025-2026	



<i>Type of work</i>	<i>Indicative plan for 2025-2026</i>	<i>Year</i>	<i>Remarks</i>
	IOE comments on selected IFAD operational policies and strategies prepared by Management for consideration by the Evaluation Committee	2025-2026	
	Participation in all sessions of the Evaluation Committee, Executive Board and Governing Council, and the annual country visit of the Board	2025-2026	
	Annual workshop with the Evaluation Advisory Panel	2025-2026	
	IOE comments on COSOPs when related country programme evaluations/CSPEs are available	2025-2026	
10. Communication and knowledge management activities	Evaluation reports, IOE website and communication activities	2025-2026	
	Communicate the evaluation findings and disseminate the lessons	2025-2026	
	Promote utilization of evaluations	2025-2026	
	Contribute to knowledge management platforms	2025-2026	
11. Partnership	ECG, UNEG	2025-2026	
	Global Evaluation Initiative	2025-2026	
	RBA collaboration on evaluation	2025-2026	
	Contribute as external peer reviewer to key evaluations by other multilateral and bilateral organizations, as requested	2025-2026	
	Collaborate with universities and think tanks, contribute to IntEVAL	2025-2026	
12. ECD	Capacity-building for member countries	2025-2026	

\* The topics and number of TEs, CLEs, CSPEs, PCEs, SREs and evaluation synthesis reports (ESRs) are tentative; actual priorities and number of activities to be undertaken in 2025 and 2026 will be confirmed or determined in 2024 and 2025, respectively.

## IOE products

1. This annex presents the spectrum of IOE products between 1 January and 31 December 2022 and documents progress in the areas of leadership and strategy, the advancement of established outputs, the generation of new products and the improvement of staff capability and communications. The work has focused both internally and externally, noting that IOE operates within a global oversight architecture with the independent evaluation and oversight functions of other international financial institutions and the United Nations Evaluation Group.

### A. Expand and deepen IOE's leadership role in building global evaluations

2. A series of initiatives seeking to improve the quality of evaluations in IFAD overall were completed, each introducing an element to support effective planning, common terminological and methodological understanding and staff capacity-building.

#### Improvement of IOE evaluation quality

- **Evaluation Manual, third edition** [[here](#)]. The third edition of the IFAD Evaluation Manual was published on 17 June 2022. The manual implements IFAD's 2021 Evaluation Policy, with which it is aligned. It seeks to revamp, update and consolidate current guidelines. The manual provides a comprehensive institution-wide approach under which self- and independent evaluation will be planned, conducted and used. IOE interacted and coordinated with Management in the preparation of the manual, which covers self- and independent evaluation.
- **Online training course** [[here](#)]. IOE has launched a fully interactive online training course that is also available to users outside IFAD. Through an immersive audiovisual experience, users will learn about the principal contents of part 1 of the 2022 IFAD Evaluation Manual. The training was officially launched on 10 October 2022.
- **IOE Evaluation Advisory Panel** [[here](#)]. The IOE Evaluation Advisory Panel held its inaugural annual meeting on 12-14 July 2022. Panel deliberations confirmed that IOE is on the right path and that it is important for the Office to continue striving for constructive engagement with stakeholders. The panel has brought a wealth of global expertise and remains a valuable sounding board for IOE and IFAD, as it advances evaluation culture and practice. The meeting benefited from extensive participation by members of the IFAD Executive Board and Senior Management, as well as the heads of Rome-based evaluation offices.

The panel also provided comments on key evaluation reports during 2022, including the thematic evaluation of IFAD's support to smallholder climate change adaptation and the corporate-level evaluation on knowledge management.

- **Research publications.** IOE improves the quality of evaluation products through the production of a suite of new substantive research publications, each designed to improve the conceptual and methodological underpinnings of independent evaluation at IFAD. Publications produced in 2022 include the following:
  - Research paper series. Efficiency – Economic analysis for evaluation [[here](#)]
  - Learning notes series. Working in the context of decentralized policies [[here](#)]

#### Professionalization

- **Global evaluation networks.** IOE has formal membership in three global professional evaluation networks comprising the United Nations and

international financial institutions, namely the [United Nations Evaluation Group \(UNEG\)](#), the [Evaluation Cooperation Group \(ECG\)](#) and the [Global Evaluation Initiative \(GEI\)](#).

- **GEI.** On 3-4 May, IOE participated in the GEI Partnership Council, held in Paris, France. Key outcomes of the event include GEI members' endorsement of the overall direction of GEI's work, its new fundraising strategy and the proposed evaluation methods for each of GEI's business lines. Indran A. Naidoo attended the event [[here](#)].
- **ECG.** On 10 June, IOE participated in the ECG spring meeting in Washington, D.C., contributing to the event in several ways in different sessions at multiple levels. The purpose of the meeting was to discuss how ECG members are finding new ways to support accountability and enhance learning in their institutions [[here](#)]. On 14-15 November, IOE attended the fall 2022 meeting of the ECG. IOE presented examples of transformative and impactful corporate-level evaluations that have made a significant contribution to IFAD's work in recent years [[here](#)].
- **UNEG.** On 20 October, IOE hosted a meeting with Oscar Garcia, UNDP Independent Evaluation Office (IEO) Director (former IOE Director). Mr Garcia shared insights on the use and impact of artificial intelligence in evaluation. RBA evaluation office representatives attended the one-day hybrid meeting, which also included discussions on the future directions of UNEG and insights into the NEC 2022 Conference [[here](#)].
- **National Evaluation Capacities (NEC)** [[here](#)]. The 7<sup>th</sup> National Evaluation Capacities (NEC) Conference was held at the ITC-ILO Conference and Training Centre in Turin, Italy, from 25 to 28 October 2022. The conference was co-organized by the UNDP IEO and the GEI and benefited from the firm support of IOE. In addition to bursaries, IOE played an active role in the event by providing substantive input in various sessions.

## Participation

- **Global invitations.** IOE staff have been invited to give presentations and participate in 19 international events, including: the second and third Wilton Park dialogue series on climate change [[here](#)] and [[here](#)]; the 3<sup>rd</sup> International Conference of the Asia Pacific Evaluation Association and EVALFEST [[here](#)]; the inaugural lunch of the Regent Business School Journal Club [[here](#)]; the 10<sup>th</sup> African Evaluation Association International Conference [[here](#)]; the Islamic Development Bank Group Evaluation Symposium entitled "Reshaping evaluation through the lens of recovery" [[here](#)]; the International Research Group for Policy and Programme Evaluation (IntEVAL) annual meeting [[here](#)]; two events during the gLOCAL Evaluation Week 2022 [[here](#)] [[here](#)]; four events during the 14<sup>th</sup> European Evaluation Society's biennial conference [[here](#)] [[here](#)] [[here](#)] [[here](#)]; the Czech Evaluation Society Annual Conference 2022 [[here](#)]; the evaluation practitioners network session at the UK Department for Business, Energy & Industrial Strategy [[here](#)]; Asian Evaluation Week (AEW) 2022 [[here](#)]; 2022 IDEAS Conference and Global Assembly [[here](#)]; "Impact Evaluations: Lessons learned from IEU's Learning-Oriented Real-Time Impact Assessment and other international organizations" [[here](#)]; and the Centre for International Development Evaluation [[here](#)].
- **IOE-led seminars and events.** IOE organized and co-hosted two international seminars and events: "Insights from recent studies on targeting of the poor and the ultra-poor" [[here](#)]; "The 2022 IFAD Evaluation Manual as a new tool for rural development practitioners" [[here](#)].
- **Evaluation Advisory Panel seminars** [[here](#)]. IOE hosted three seminar presentations delivered by members of the Evaluation Advisory Panel:

- The revised evaluation criteria, delivered by Hans E. Lundgren on 3 March 2022.
- Measuring multidimensional poverty, delivered by Gonzalo Hernandez Licona on 7 April 2022.
- Indigenous evaluations, delivered by Bagele Chilisa on 17 June 2022.
- **Coffee Talk series** [[here](#)]. IOE hosted 14 sessions of its Coffee Talk series, an informal forum for discussing a variety of evaluation topics. Sessions that featured external speakers included:
  - The importance of values in evaluation when goals collide. Talk by Ida Lindkvist, Senior Advisor, Department for Evaluation, Norad [[here](#)].
  - Evaluation in fluid and volatile contexts. Talk by Hur Hassnain (Senior Evaluation Advisor, European Commission) and Inga-Lill Aronsson (Senior Lecturer, Uppsala University, Sweden) [[here](#)].
  - Leveraging GIS for evaluation. Talk by Oliver Mundy, Athur Mabiso and Rakhat Zhanuzakov (IFAD, GIS specialists) [[here](#)].
  - Fast-tracking knowledge management - Experience from China. Talk by Bruce Boyes (Director of RealKM Magazine) [[here](#)].
  - Mindset Strategies for Post-Evaluation Transformation. Talk by Srin Pillay, M.D. (CEO and Founder NeuroBusiness Group) [[here](#)].
  - Transformational change for people and planet. Talk by Juha Ilari Uitto (Director of the Independent Evaluation Office of the Global Environment Facility) and Geeta Batra (Chief Evaluator and Deputy Director for evaluation at the Independent Evaluation Office of GEF) [[here](#)].

## **Publications**

IOE staff members authored, co-authored and edited the following books, peer-reviewed journal articles and publications:

- *Transformational Change for People and the Planet*, book published by Springer. Indran A. Naidoo and Suppiramaniam Nanthikesan were among the co-authors [[here](#)].
- *Transformational Evaluation for the Global Crises of Our Times*, published by IDEAS. Fabrizio Felloni was among the co-authors [[here](#)].
- *Japanese Journal of Evaluation Studies*, Vol. 21, No. 2. Indran A. Naidoo authored an article [[here](#)].
- "Evaluations under COVID-19: how the pandemic affected the evaluation of the performance of the Coastal Climate Resilient Infrastructure project in Bangladesh, and what we learned", *eVALUation Matters* Vol. 2, 2021, co-authored by Fabrizio Felloni [[here](#)].
- *Evaluation through narratives: A practical case of Participatory Narrative Inquiry in women empowerment evaluation in Niger* Evaluation 1–20, Sage Publisher, co-authored by Fabrizio Felloni [[here](#)].
- "Combining participatory narrative methods with quantitative approaches to evaluate impact: Experiences in Cameroon and Niger"; *eVALUation Matters* Vol. 1, 2022, co-authored by Fabrizio Felloni [[here](#)].

## B. Improve evaluation coverage

Between January and December 2022, the IOE Director oversaw the publication of 30 evaluation reports.

### Evaluation reports published

- **2022 Annual Report on the Independent Evaluation of IFAD.** Since 2003, IOE has produced an Annual Report on Results and Impact of IFAD Operations. On the 20<sup>th</sup> anniversary of this flagship report, it was re-pitched and renamed as the Annual Report on the Independent Evaluation of IFAD (ARIE), reflecting upgraded contents and a broader scope. In providing an overview of the performance of IFAD-supported operations based on independent evaluations, the ARIE continues to be pivotal in ensuring accountability for results [[here](#)].
- **Evaluation synthesis reports (ESRs).** The primary objective of an ESR is to contribute to knowledge generation by consolidating findings from past evaluations. Its main users are Senior Management, directors, regional and technical division staff and members of IFAD's governing bodies. During the reporting period, IOE published "Government performance in IFAD-supported operations (2010-2020)" [[here](#)].
- **Country strategy and programme evaluations (CSPEs).** The primary objective of a CSPE is to assess the performance and results of a country strategy and operations and provide lessons and recommendations to guide preparation of the next country strategy. Its main users are divisional and country directors, country teams and governments. During the reporting period, IOE published CSPE reports for Morocco [[here](#)], Pakistan [[here](#)] and Burundi [[here](#)].
- **Project performance evaluations (PPEs).** The primary objective of a PPE is to assess the performance and results of project-level operations funded by IFAD. Its main users are regional and country directors, technical advisers, operational staff and government counterparts. During the reporting period, IOE published five PPE reports: India [[here](#)], The Gambia [[here](#)], United Republic of Tanzania [[here](#)], Uzbekistan [[here](#)] and Indonesia [[here](#)].
- **Project completion report validations (PCRVs).** The primary objective of a PCRv is to validate the project completion reports prepared by IFAD Management. Its main users are IOE and IFAD Management for reporting and feedback. During the reporting period, IOE published 20 PCRv reports for Brazil [[here](#)], Georgia [[here](#)], Morocco [[here](#)], Nicaragua [[here](#)], Republic of Moldova [[here](#)], China [[here](#)], Ecuador [[here](#)], Congo [[here](#)], Plurinational State of Bolivia | ACCESOS [[here](#)], Argentina [[here](#)], India [[here](#)], Djibouti [[here](#)], Tajikistan [[here](#)], Plurinational State of Bolivia | VIDA-PEEP [[here](#)], Nigeria [[here](#)], Philippines [[here](#)], Kyrgyzstan [[here](#)], Côte d'Ivoire [[here](#)], India | Andhra Pradesh Drought Mitigation Project [[here](#)] and Brazil | Paulo Freire Project [[here](#)].

### Reports completed

In addition to the reports already disseminated, listed above, IOE also completed the following 15 reports, which are pending publication.

- **Thematic evaluations.** The primary objective of a thematic evaluation is to provide evidence of the development effectiveness, performance and results of operations on a thematic topic. Its main users are Senior Management, directors, regional and technical division staff and members of IFAD's governing bodies. During the reporting period, IOE conducted a thematic evaluation of IFAD support to smallholder farmers' adaptation to climate change.

- **Subregional evaluation (SRE).** The primary objective of an SRE is to assess strategy, common intervention approaches and IFAD organizational arrangements in a set of countries that share salient characteristics. Its main users are regional and country directors, technical advisers, operational staff and government counterparts. During the reporting period, IOE conducted a subregional evaluation of fragile states in West and Central Africa.
- **Project cluster evaluation (PCE).** The primary objective of a PCE is to assess the experience of several projects with a common theme or common major component. Its main users are regional and country directors, technical advisers, operational staff and government counterparts. During the reporting period, IOE conducted a PCE on rural enterprise development.
- **Country strategy and programme evaluations (CSPEs):** Colombia; Eswatini; Indonesia; Malawi; Uzbekistan; and Guinea-Bissau
- **Project performance evaluations (PPEs):** Cuba; Zambia; Togo; Egypt
- **Project completion report validations (PCRVs):** India | JTELP; Tunisia; Eritrea

### C. Engage strategically with IFAD governance and Management

IOE has increasingly emphasized engagement with Member States and IFAD Management, with a view to furthering learning, accountability and reflection through independent evaluation. These efforts have taken shape through a series of briefings, corporate and country learning workshops and an Executive Board field mission.

#### Corporate learning workshops

- IOE held two corporate learning workshops with the involvement and participation of IFAD Senior Management, regional and country directors and other staff: Thematic evaluation of IFAD support to smallholder farmer's adaptation to climate change [[here](#)]; and Evaluation synthesis on Government performance in IFAD-supported operations (2010-2020) [[here](#)]

#### Country learning workshops

- IOE held five country learning workshops with the involvement and participation of government representatives, national partner agencies, IFAD staff and international development agencies, including multilateral and bilateral partners: Eswatini, 28 January 2022 [[here](#)]; Uzbekistan, 24 February 2022 [[here](#)]; Indonesia, 18 March 2022 [[here](#)]; Malawi, 17 May 2022 [[here](#)]; and Guinea-Bissau, 12 December 2022 [[here](#)]

#### Executive Board field missions

- The IOE Director joined a high-level delegation of IFAD Executive Board members and senior staff for a working visit to Sierra Leone from 19 to 26 November 2022. During the mission, the delegation met with high-level government officials and travelled to IFAD-supported projects in the country to view progress and meet with community members and rural farmers [[here](#)].

### D. Enhance IOE strategic communication, outreach and knowledge management

A range of communication resources defines IOE's visual persona and brand identity, embodying its independent status. Through this assortment of products, IOE continues to build safe spaces for user interaction that invite its stakeholders to continuously reach out and engage with the Office's outputs in a more accessible manner.

- **IOE Media Coverage Report.** In September 2022, IOE issued its first Media Coverage Report, which came four months after the launch of the new IOE

website. The report, which will be issued biannually, presents the latest data, statistics and trends relative to our website, social media platforms and select IOE products, such as the 3rd edition of the Evaluation Manual, the 2022 Evaluation Policy and *Independent Magazine*.

- ***Independent Magazine*** [\[here\]](#). As IOE's flagship communication product, *Independent Magazine* brings the major efforts of IOE to the forefront of the global development dialogue, while seeking to advance IFAD's vision of vibrant, inclusive and sustainable rural economies, where people live free of poverty and hunger. In 2022, IOE published two editions of the magazine, reaching over 11,000 readers in 76 countries across all continents during the reporting period. This brings the cumulative total number of readers since the launch of the magazine to 18,500 in 97 countries.
- **IOE website** [\[here\]](#). The website, the exclusive intellectual property of IOE, is structured to best meet the specific needs of IOE, with dynamic functionalities that maximize opportunities for user engagement. It also ensures an intuitive, easy navigation experience as the Office moves towards building evaluation capacity across IFAD, advancing the IOE conduct model and building bridges through evaluation dialogues to increase understanding and improve performance. In 2022, 32,000 people accessed the website from 199 different countries a total of 122,000 times. IFAD has 177 Member States comprised of developing, middle- and high-income countries from every region in the world. This means that the IOE website has reached 22 countries more than those comprising IFAD's membership. It should be noted that the new IOE website was officially launched on 15 March 2022. On 28 April, an independent Google Analytics tracking dashboard was finalized. Thus, the data presented in this section refer only to an eight-month period – that is, 28 April 2022 – 31 December 2022.
- **Social media.** IOE has a strong, active and vibrant social media presence, which allows the Office to keep its stakeholders up to date on its latest endeavours in real-time, while ensuring that they can smoothly interact with the Office in an ongoing fashion. In 2022, IOE has continued to grow its following on Twitter, reaching 3,082 followers [\[@IFADeval\]](#); on LinkedIn, reaching 3,875 followers [\[here\]](#); and on YouTube, reaching 486 subscribers [\[here\]](#).
- **IOE Newsletter** [\[here\]](#). The IOE Newsletter promotes transparency and shares knowledge with partners and stakeholders about key developments related to IOE's work. The Newsletter is aligned with IOE's visual identity and strategic approach to communications. Its broad readership ensures that IOE stakeholders have speedy access to the Office's latest outputs. In 2022, IOE published three issues of the Newsletter.
- **News items** [\[here\]](#). IOE news items capture the work of the Office, highlighting key take-homes. The breadth of issues addressed by the items ranges from the publication of reports to meetings, events, new products and opportunities for engagement with the Office. In 2022, IOE published a record-breaking 40 news items.
- **Video series: 60 seconds with the Director** [\[here\]](#). This video series offers easy-to-digest insights into the IOE Director's perspectives on a number of salient evaluation issues. In 2022, IOE published three instalments of the series.
- **Promotional videos** [\[here\]](#). Through its promotional videos, IOE lends enhanced visibility to key substantive issues at the heart of the international evaluation debate, while bringing important new outputs produced by the Office to the forefront. In 2022, IOE produced three promotional videos.



- **Director's Bulletin.** The Bulletin is a response to the IOE Director's personal commitment to transparent, proactive internal communication, serving as a valuable resource to record IOE outputs, engagements and activities. In 2022, IOE issued nine issues of the Bulletin.
- **IOE Coffee and Gender talk series** [[here](#)]. Each instalment of this talk series is captured through new fact sheets. In 2022, IOE published 14 Coffee Talk sheets featuring 17 different presenters.
- **Advisory Panel Seminar series.** Each instalment of the aforementioned seminar series is captured through two new communication products, namely the fact sheets and re-live videos [[here](#)].
- **IOE blogs** [[here](#)]. Blogs advance IOE's critical thinking on issues at the heart of the international evaluation debate, stimulating thought-provoking dialogue and discussions. In 2022, IOE staff published four blogs.



## Examples of feedback from governing bodies and from Management received by IOE

Table 1

### Examples of feedback from governing bodies

#### Evaluation Committee, 120<sup>th</sup> session [4 April 2023]

##### Corporate-level evaluation of IFAD's decentralization experience 2022

"To my prepared remarks, I wanted to say, from Ireland's perspective, that it is really hard to overstate the importance of this corporate-level evaluation on decentralization. The timing is really important, coming, as it does, so new into the tenure of President Alvaro Lario, and at a time when uncertainty is the prevailing backdrop of our conversation. Donal referenced COVID-19. I think it is worth keeping that in the frame. It has been a turbulent few years. As others have said, the decentralization project is fundamental to IFAD's ability to deliver on its mandate and as an Evaluation Committee member, today I really feel a great weight of responsibility as we dig this hole, as we get into these discussions. It is great to see that the report validates decentralization as the right thing to do in order to maximize IFAD's impact. And I propose that we strongly welcome this finding and dwell on it no more, really, beyond that."

- Representative of Ireland

"[...] As you said, Chair, I think that indeed if there is a merit to this document, it is to show that decentralization is not always effective in all contexts everywhere and in these identical forms. I do pay tribute to the quality of the analysis provided. I think that this confirms an intuition that we all have but it is supported by rather accurate data."

- Representative of France

##### Approach paper for the thematic evaluation of IFAD's support to gender equality and women's empowerment

"So I suppose just to start by saying we are delighted to see the evaluation, as others have mentioned, that the timing is wonderful. A lot has changed both for rural women and indeed in the global context since the last corporate level evaluation and of course IFAD has itself approved a number of documents. So, it is a really great time to take stock of the impact of IFAD's gender work, and of course the impact of wider trends, such as COVID 19 and climate change. I am particularly happy to see the comprehensive scope of the evaluation. It is good that it is going to look at IFAD's internal institutional framework, resourcing, culture, and the impact of projects. Something we have emphasized for a long time, as you know, is the impact of IFAD's broader influencing and capacity building of partners, and so it is really good that this evaluation will look at the value-added that IFAD brings on gender."

- Representative of Ireland

"We note the intention of IFAD to develop a thematic evaluation to support gender equality and women's empowerment. I am always happy to see work on how to improve gender equality and women's empowerment."

- Representative of Indonesia

Table 2

**Examples of feedback from Management****CSPE Ethiopia** [6 June 2023]

"I would like to thank the Independent Office of Evaluation for this rigorous evaluation, and for ensuring a participatory approach to the evaluation, despite the limitations imposed by prevailing conflicts in some project sites."

- Mr Donal Brown, Associate Vice-President, Programme Management Department, IFAD

**Evaluation Committee, 120<sup>th</sup> session | Corporate-level evaluation of IFAD's decentralization experience 2022** [4 April 2023]

"I would like to begin by saying how much Management welcomes this corporate learning evaluation and we thank IOE for its comprehensive review, which has many useful insights. The report recognizes IFAD's successful shift from a country presence to a decentralized model in a short period but, clearly, there is always room for improvement. [...] Overall the report is very useful and especially the conclusions and recommendations. [...] As a result, IFAD is therefore recalibrating the D2.0 implementation plan based on our own lessons learned, based on the recommendations in this report and further on the Member State feedback, now and at the Board meeting, while continuing to look at the original targets and timelines. [...] Management welcomes the five recommendations addressed to Management and agrees to them, fully concurring with three and partially with the remaining two."

- Mr Donal Brown, Associate Vice-President, Programme Management Department, IFAD

**CSPE Colombia** [21 March 2023]

"We are here today to really be able to respond to the priorities of the countries that we are supporting; so this is why evaluations are so important, or standards are increasingly higher while we increasingly aim to attain the reality of the countries we work for. So, evaluations come at a very specific point in time; we are now working on a COSOP, and the recommendations and suggestions coming from this evaluation will be very helpful for the new strategy and programme, and I believe that all of your suggestions will be most welcomed in future programmes [...]"

(Translation provided by live interpreters)

- Ms Rossana Pollastri, Regional Director, Latin America and the Caribbean Division, IFAD

**CSPE Kyrgyzstan** [1 March 2023]

"Let me close by expressing the hope that together, we will use this evaluation to build an ever relevant, effective and efficient IFAD country programme that ultimately delivers the best possible development impact for the rural people of Kyrgyzstan".

- Ms Dina Saleh, Director, Near East, North Africa and Europe Division, IFAD (representing Donal Brown, Associate Vice President, Programme Management Department, IFAD)

**PCE Rural Enterprise Development** [31 March 2023]

"From the self-evaluation lens, we are really welcoming this new type of evaluation – the project cluster evaluation. We find it really enhances learning through comparative analysis and a shorter preparation process; and this learning event is a testament to that as well, and to the rich lessons that we were able to get from these different project evaluations. Secondly, and more on the content, the topic of rural enterprise development for this PCE is extremely relevant. It presents significant lessons to inform the design and implementation of future projects, as well as country strategic opportunities programmes, corporate as well as regional strategies. We also find the evaluation very useful in terms of IFAD's work with the private sector, which has been discussed heavily. But I want to highlight how important this is for our replenishment process, not just the current one – IFAD12, but also it is a key priority going forward in the future. As OPR, we are deeply involved in the development of our IFAD business model for our next replenishment cycle –IFAD13, and this is a priority area [...] We experienced a very participatory process and engagement with IOE in developing and preparing this PCE. So we really look forward to that, as we go towards the next PCE that is planned for the Eastern and Southern Africa region".

- Ms Chitra Deshpande, Lead Advisor, Results & Resources, Operational Policy and Results Division (OPR), IFAD

**SRE Fragile States** [27 February 2023]

"I just want to reiterate my sincere thanks to Indran, Max and the IOE team for organizing this event and for inviting me to deliver some perspectives in the closing session. I must say it has been a very interesting discussion, highly relevant for IFAD's future. The evaluation provides really valuable lessons to help us sharpen the approach, and also the tools, to work in fragile contexts, not just in WCA, but also in other regions

where we have a large number of fragile contexts: particularly NEN, but also other regions, including APR. The recommendations in the evaluation are very pertinent, helpful, and indeed Management has agreed with all of them".

- Mr Nigel Brett, Director, Operational Policy and Results Division, IFAD

## Summary infographic

2022



IOE



Investing in rural people

Independent Office of Evaluation

Engage  
strategically  
with IFAD  
governance &  
management

Expand IOE  
learnership in  
building  
global  
evaluations

Improve  
evaluation  
coverage

45  
Reports

Evaluation

9 Country  
Strategy  
& Programme9 Project  
Performance22 Project Completion  
Report ValidationAnnual Report  
on Independent  
Evaluation 2022Government  
performance  
synthesis reportThematic  
evaluation  
on climate  
change  
adaptation5 Country  
learning  
workshopsSub-  
regional  
evaluation  
of fragile  
states in  
West and  
Central  
AfricaProject  
cluster  
evaluation  
on rural  
enterprise2 Corporate  
learning  
events

## EVALUATION QUALITY

On-line  
training  
courseEvaluation Manual  
3<sup>rd</sup> editionResearch  
publicationsIOE staff  
developmentEvaluation  
Advisory  
Panel

## EVALUATION PROFESSIONALIZATION

Membership  
of global  
networks2 International  
seminars  
hosted by IOEIOE staff  
invited to deliver  
presentations in  
19 international  
eventsIOE staff authored, co-  
authored and edited  
6 books, peer  
reviewed  
journal articles & publications

## STRATEGIC COMMUNICATION



IOE Website

n. countries

&gt; 199

n. views

&gt; 122,000

Independent Magazine

n. countries

&gt; 76

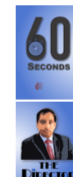
n. readers

&gt; 11,000

Newsletter  
x3On-line  
training

x40

News items

Coffee Talk  
x14Video series  
1.9k views

3,875 followers



486 subscribers



3,082 followers