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Enabling poor rural people
to overcome poverty

IFAD at the Midterm of the Ninth Replenishment

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Consultation on the Tenth Replenishment of IFAD's Resources —
First Session
Rome, 20-21 February 2014

For: Review

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Abbreviations and acronyms

ARM	Additional Resource Mobilization
ASAP	Adaptation for Smallholder Agriculture Programme
B&MGF	Bill & Melinda Gates Foundation
CFS	Controller's and Financial Services Division
CGIAR	Consultative Group on International Agricultural Research
CLEE	Corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations
COM	Communications Division
COSOP	country strategic opportunities programme
CPM	country programme manager
CPMT	country programme management team
CSD	Corporate Services Department
DFID	Department for International Development
DSF	Debt Sustainability Framework
GAFSP	Global Agriculture and Food Security Program
ICO	IFAD country office
ICT	information and communications technology
IEE	Independent External Evaluation of IFAD
IFAD8	Eighth Replenishment of IFAD's Resources
IFAD9	Ninth Replenishment of IFAD's Resources
IFPRI	International Food Policy Research Institute
IMI	Innovation Mainstreaming Initiative
KfW	Development Bank of Germany
MAR	Multilateral Aid Review
MOPAN	Multilateral Organisation Performance Assessment Network
PMD	Programme Management Department
PoLG	programme of loans and grants
PPPs	public private partnerships
PRM	Office of Partnership and Resource Mobilization
PTA	Policy and Technical Advisory Division
QA	quality assurance
QE	quality enhancement
RBA	Rome-based agency
RIDE	Report on IFAD's Development Effectiveness
RIMS	Results and Impact Management System
RMF	Results Measurement Framework
SCF	sustainable cash flow
SKM	Strategy and Knowledge Management Department
SPD	Strategic Planning Division
UN-SWAP	United Nations system-wide Action Plan

Executive summary

Introduction

1. The Governing Council, at its thirty-fifth session held in February 2012, adopted resolution 166/XXXV on the Ninth Replenishment of IFAD's Resources (IFAD9), covering the period 2013-2015. The target member contribution level was set at US\$1.5 billion in order to finance and implement a three-year programme of loans and grants (PoLG) of US\$3 billion.
2. The support given to IFAD9 reflected the Members' increased concern with the state of global food security and rural poverty. It was also a reflection of the confidence of Members in IFAD's capacity to undertake a more effective programme of work.
3. At the conclusion of the Consultations, Members urged IFAD to raise the quantity and quality of its operations by significantly increasing the resources mobilized from domestic and international partners. The aim was to achieve investments in agricultural development, poverty reduction and improved food security totalling US\$7.5 billion. This would in turn allow IFAD to extend the outreach of the programmes it supports to 90 million rural men and women, and enable 80 million of these people to lift themselves out of poverty.
4. For the IFAD9 period, IFAD undertook to enhance its development, operational and institutional effectiveness and efficiency and develop an improved framework for measuring its results. More specifically, IFAD made commitments in four thematic areas:¹
 - (a) **Increasing operational effectiveness** through a series of measures focusing on: aid effectiveness; scaling up; private-sector engagement; gender equality and women's empowerment; climate change and sustainable management of environmental resources; project efficiency; country-level decentralization; fragile states; national monitoring and evaluation systems; South-South and triangular cooperation; and partnership and advocacy.
 - (b) **Increasing institutional effectiveness and efficiency** through new management tools for cost analysis and control, and a consolidation and innovation of human resources management systems, policies and practices.
 - (c) **Strengthening financial capacity and management** through effective responses to changes in the financial environment in which the Fund operates and by upgrading IFAD's financial model in line with industry best practice and exploring new forms of internal and external resource mobilization.
 - (d) **Enhancing the results management system** through the revised Results Measurement Framework (RMF) for 2013-2015, with a particular emphasis on impact evaluation.²
5. The Report of the Consultation on the Ninth Replenishment of IFAD's Resources called for a midterm review of IFAD9 to be presented at an early session of the IFAD10 Consultation. This review responds to that commitment. Its purpose is to report on progress made by IFAD during the IFAD9 period through 2013, with progress under IFAD8 serving as the backdrop.³ The document also includes a discussion of the operational and institutional results to date and the prospects for

¹ The specific commitments under each of the four themes, plus the actions taken and progress to date are elaborated in annex I.

² See Report of the Consultation on the Ninth Replenishment of IFAD's Resources (document GC35/L.4), pp. iii-iv.

³ Although the financing of IFAD9 projects and programmes started at the beginning of 2013, IFAD had begun work on the other IFAD9 commitments in 2012.

the delivery of all IFAD9 commitments within the remaining two years of IFAD9 (2014 and 2015).

Delivery of the IFAD8 and IFAD9 programme of work

6. Since the conclusion of the IFAD9 Consultation in 2011, IFAD has successfully delivered the IFAD8 PoLG, which amounted to US\$2.9 billion. The Fund was also successful in raising additional resources through cofinancing from international and domestic sources, delivering a total programme of work of US\$7 billion under IFAD8.
7. In 2013, the first year of IFAD9, the Fund delivered a PoLG of nearly US\$900 million and is confident that the entire programme of US\$3 billion will have been delivered by the end of the IFAD9 period. However, as international and domestic cofinancing of agricultural projects has declined since the increases observed in the 2007-2009 period, IFAD may find it difficult to reach the goal of a total programme of work of US\$7.5 billion for the IFAD9 period.
8. The delivery of an expanded programme of work under IFAD8 and the first year of IFAD9 that meets both the volume targets and the quality targets set in IFAD's RMF has been made possible by implementing and continuously improving IFAD's new business model. The reformed quality enhancement and quality assurance programmes have contributed to raising the quality of projects at entry. Direct supervision and implementation support have enabled IFAD to address issues on the ground much more expeditiously and effectively. And increased country presence, through the opening of 40 country offices, has brought IFAD closer to its clients, enabling it to address project-related issues and to engage more fully in country policy dialogue.
9. IFAD will continue to refine its business model to ensure delivery of the programme of work for the remaining two years of IFAD9 and to achieve or surpass the results and impact expected of it under IFAD9. It will also step up its resource mobilization work to respond to declining cofinancing flows, with the goal of meeting the planned programme of work of US\$7.5 billion for IFAD9.

Increasing IFAD's operational effectiveness

10. In response to the IFAD9 commitments to increase the Fund's operational effectiveness, IFAD has taken action in all the areas stipulated by the Consultation. It is improving **aid effectiveness** by encouraging greater government participation in all phases of its programme and project work and by promoting greater cooperation and cofinancing with its partners. To ensure that **scaling up** becomes mainstreamed, IFAD recently launched a scaling-up support programme and has deepened its **policy dialogue** by implementing its recent plan for engaging in country-level policy processes. A new knowledge management framework has also been completed to assist such efforts. IFAD has stepped up its engagement with **the private sector** by promoting public private partnerships that are equitable and transparent and that create mutually beneficial outcomes for smallholders and private enterprises. Opportunities for cooperation with global corporations are being explored as well.
11. Priority has also been given to promoting **gender equality and women's empowerment**. To ensure full gender mainstreaming in all aspects of its programme and project work, IFAD has set up systems to closely monitor and report on gender indicators. The latest data show that 90 per cent of projects under implementation have a moderately satisfactory or better focus on gender during implementation. With respect to **climate change and sustainable management of environmental resources**, the Adaptation for Smallholder Agriculture Programme (ASAP) became operational in the last quarter of 2012 and provided US\$108 million in financing to 11 projects in 2013. The ASAP is now the single largest climate change initiative for smallholder farmers worldwide.

12. Similar progress is being made with respect to the other commitments. Staff members have been trained in **project efficiency** and all projects must now undergo an economic analysis at design. **Country-level decentralization** has proceeded with the opening of 40 country offices, supported by greater delegation of authority; a further 10 offices are planned to be opened by the end of 2015. A grant has been provided to the Food and Agriculture Organization of the United Nations (FAO) to provide capacity-building in **fragile states** to enhance management of IFAD-financed projects; and support is being provided **to national monitoring and evaluation systems** although major challenges remain. Several initiatives have been launched to promote **South-South and triangular cooperation**. IFAD has forged stronger partnerships with key strategic partners, particularly the other Rome-based agencies. The President is a member of the Leadership Council of the New Alliance for Food Security and Nutrition. IFAD has stepped up its **advocacy work** and taken an active role in the global dialogue on the post-2015 development agenda. IFAD has also expanded its work on **nutrition** to incorporate nutrition-sensitive activities into country strategies and project designs.
13. IFAD will continue to deepen these initiatives, recognizing that much work remains to be done. Although important initiatives have been launched in all the areas identified under IFAD9, IFAD is aware that major challenges persist as it continues its efforts with respect to aid effectiveness, scaling up, policy dialogue, work in fragile states, national monitoring and evaluation systems, and cooperation with the private sector. Success in these areas will be critical in the next two years if IFAD is to achieve the operational results and impact targets set for IFAD9, and, in particular, the goal of enabling 80 million men and women to lift themselves out of poverty.

Increasing IFAD's institutional effectiveness and efficiency

14. IFAD has taken a number of initiatives to respond to its institutional effectiveness and efficiency commitments for IFAD9. It has explored and introduced **management tools** such as strategic workforce planning to ensure optimal use of resources and to contain or reduce costs. All organizational units have examined their business and administrative processes to identify possible efficiency gains. And in collaboration with the other Rome-based agencies, significant savings and cost reductions have been achieved, particularly in the procurement of goods and services and in travel costs. IFAD is also upgrading its information and communications systems to further streamline business processes and achieve additional efficiency gains.
15. In line with IFAD9 commitments, IFAD has revised and consolidated its action plan to enhance efficiency in response to the recommendations of the corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations. It has also submitted proposals to the Executive Board to reduce costs associated with the operations of governing bodies. The Board has approved many of the proposals, which has led to considerable savings.
16. IFAD is also consolidating its **human resources reform** initiated under IFAD8. The job audit was completed and strategic workforce planning introduced as an annual exercise. A rewards and recognition framework has been rolled out; a new competency framework has been implemented to strengthen performance management; and much work has gone into strengthening gender competence and gender equality. IFAD has also strengthened its cooperation with the International Civil Service Commission in a number of strategic areas such as the review of the General Service staff salary scale in Rome. The review has resulted in the establishment of a reduced secondary salary scale for new General Service staff recruited after 1 February 2013 that better reflects Rome market conditions. This will undoubtedly have a marked impact on staff costs in the medium to long run.

17. Looking forward, IFAD anticipates that the combination of better cost accounting and control systems together with the planned upgrades in its information and communications technology (ICT) will bring further efficiency gains; however, it fully recognizes the challenges inherent in creating systems that provide accurate cost accounting and in developing efficient ICT and administrative platforms to serve the expanding global network of offices. Greater effort will also need to be made to encourage superior performance by staff and to address cases of poor performance. Nonetheless, IFAD is confident that the efficiency initiatives under way, together with a further consolidation of human resources (HR) reforms, will pave the way to achieving all the institutional effectiveness and efficiency targets set for IFAD9.

Strengthening IFAD's financial capacity and management

18. IFAD has responded to the IFAD9 commitments on strengthening financial capacity and management. It has taken a number of initiatives to strengthen the Financial Operations Department (FOD) created in 2011 and the newly strengthened Budget and Organizational Development Unit. It has implemented the **new financial model** using the sustainable cash flow approach, which has now become the framework for determining the Fund's advance commitment capacity. Management has also submitted a proposal to the Executive Board for compensation of forgone principal arising from the adoption of the Debt Sustainability Framework (DSF). In addition, IFAD is exploring possibilities for greater **internal resource mobilization** through prepayments and follow up on loan and contribution arrears. A revised Lending Policies and Criteria document came into force in February 2013 (renamed "Policies and Criteria for IFAD Financing") which aligns IFAD's products with those of the International Development Association (IDA) and other comparable international financial institutions, taking into account IFAD's specificity.
19. IFAD has been actively engaging with non-Member States to encourage them to join IFAD and to contribute financially to its work. A number of new countries have joined the Fund with good prospects for others to follow suit. In addition, IFAD has launched an Additional Resource Mobilization (ARM) initiative to look into other resource mobilization possibilities, including sovereign debt funding, and cofinancing or parallel financing with private sector entities and foundations. Some of these efforts are expected to bear fruit as early as 2014.
20. Mobilizing greater resources will be critical for the successful delivery of the IFAD9 programme of work. In laying the required groundwork, IFAD has realized the considerable challenges involved. IFAD is keenly aware of the strategic importance of ARM and will be giving it high priority and support in the remaining years of IFAD9 and into the future.

Enhancing IFAD's results management system and results to date

21. In response to the IFAD9 commitment to enhance the results management system, more attention is being paid to ensuring that projects comply with conducting **baseline surveys** by the end of the first year of implementation and that more effective monitoring and evaluation (M&E) systems are in place. Work on **impact evaluation** has begun following the specific IFAD9 stipulations in this area, with great attentiveness to the methodological challenges involved in carrying out credible impact evaluation studies. **Enhanced reporting** on the revised RMF for 2013-2015 has also begun with the 2013 edition of the Report on IFAD's Development Effectiveness (RIDE).
22. The data in the 2013 RIDE reveal encouraging progress with respect to IFAD's contribution to development outcomes and impact. At the aggregate level, IFAD-supported projects reached an estimated 78.7 million people in 2013, half of them women. This is well on the way to meeting the IFAD9 target of 90 million.

Indicators of impact are generally very positive. In terms of project performance, progress on most indicators is encouraging. However, it is evident that more effort will need to be made to improve project efficiency and sustainability. The marked disparity between performance in fragile and non-fragile states points to a clear need for IFAD to step up its support to fragile states.

23. Results on indicators of institutional efficiency are also very encouraging: 93 per cent of the IFAD9 pledge target has been reached; most of the HR management indicators are on track; there has been a significant improvement in risk management; and all but one of the actuals-based *ex post* efficiency indicators have already reached their 2015 targets. The *ex ante* efficiency ratio for 2014 has, however, shown little movement due to the planned increase in outlays for investments and operations, particularly for ICT. These outlays are being made in response to the recommendations of the corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations (CLEE) conducted by the Independent Office of Evaluation of IFAD (IOE). These investments are expected to yield significant efficiency gains in the medium to long term.

Conclusion

24. Overall, Management believes that a solid start has been made on addressing all IFAD9 commitments. Indeed, of the total 56 commitments, only two are believed not to be on track (see annex I). However, as the overview above makes clear, Management does not believe that initiating action to meet the goals set for IFAD9 is equivalent to resolving the organizational and development challenges that IFAD faces. Major implementation challenges are expected in the next two years in some of the key commitment areas, such as enhancing aid effectiveness, improving national M&E systems, raising the efficiency and sustainability of programmes and projects, enhancing institutional efficiency, and undertaking credible impact evaluation studies.
25. Yet, as the results for 2013 – measured against the 2015 RMF indicators and goals – clearly show, good progress is being made in improving development impact, raising operational effectiveness, achieving institutional efficiency, and strengthening financial management. With the support of its members, IFAD is confident that by addressing all these issues effectively, it will meet its single most important development goal – that of helping lift 80 million rural people out of poverty.

IFAD at the Midterm of the Ninth Replenishment

I. Introduction

1. The Governing Council, at its thirty-fifth session held in February 2012, adopted the Resolution on the Ninth Replenishment of IFAD's Resources (IFAD9), covering the period 2013-2015. The target member contribution level was set at US\$1.5 billion in order to finance and implement a three-year programme of loans and grants (PoLG) of US\$3 billion.
2. The support given to IFAD9 reflected the Members' increased concern with the state of global food security and rural poverty. It was also a reflection of their confidence in IFAD's capacity to undertake a more effective programme of work, following the series of reforms that the Fund had carried out in line with the recommendations of the 2005 Independent External Evaluation of IFAD (IEE) as well as the actions it took in response to the commitments for the Eighth Replenishment of IFAD's Resources (IFAD8).
3. In this context, and as set out in the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (document GC35/L.4), members urged IFAD to raise the quantity and quality of its operations by significantly increasing resources mobilized from domestic and international partners. The aim was to achieve investments in agricultural development, poverty reduction and improved food security totalling US\$7.5 billion, including cofinancing and IFAD's own resources over the Ninth Replenishment period.¹ This level of operations would in turn allow IFAD to extend the outreach of the programmes it supports to 90 million rural men and women, and enable 80 million of these people to lift themselves out of poverty.
4. For the IFAD9 period, IFAD undertook to enhance its development, operational and institutional effectiveness and efficiency and develop an improved framework for measuring its results. More specifically, IFAD made commitments to enhance its effectiveness and efficiency in four thematic areas:
 - (a) **Increasing operational effectiveness** through a series of measures focusing on: aid effectiveness; scaling up; private-sector engagement; gender equality and women's empowerment; climate change and sustainable management of environmental resources; project efficiency; country-level decentralization; fragile states; national monitoring and evaluation systems; South-South and triangular cooperation; and partnership and advocacy.
 - (b) **Increasing institutional effectiveness and efficiency** through new management tools for cost analysis and control, and a combination of consolidation and innovation in human resources management systems, policies and practices.
 - (c) **Strengthening financial capacity and management** through effective responses to changes in the financial environment in which the Fund operates and by upgrading IFAD's financial model in line with industry best practice and the exploration of new forms of internal and external resource mobilization.
 - (d) **Enhancing the results management system** through the revised Results Measurement Framework (RMF) for 2013-2015, with a particular emphasis on impact evaluation.²

¹ IFAD's own resources include new contributions from Members, loan reflows and investment income. As new resources, such as sovereign borrowing, are mobilized by IFAD, these will also be considered as part of IFAD's resources.

² See Report of the Consultation on the Ninth Replenishment of IFAD's Resources (document GC35/L.4), p. iii-iv.

5. The Report of the Consultation on IFAD9 called for a midterm review of IFAD9 to be presented at an early session of the Consultation on the Tenth Replenishment. The report states that "The Review will provide an opportunity for Members to monitor progress achieved against the IFAD9 commitments matrix and the RMF 2013-2015 targets, as well as to provide further guidance for the achievement of IFAD9 objectives."³
6. This review responds to that commitment. Its purpose is to report on the progress made by IFAD under IFAD9 through 2013.⁴ References to progress made under IFAD8 are also included in the report as these provide essential background for the initiatives taken and progress made under IFAD9. The review also includes an assessment of the prospects for the delivery of all IFAD9 commitments within the remaining two years of the IFAD9 period (2014 and 2015).
7. The midterm review is organized as follows. Section II provides an account of the delivery of the IFAD programme of work through the first year of IFAD9, with the delivery of the IFAD8 programme of work serving as the backdrop. Section III discusses the many initiatives taken to enhance IFAD's operational effectiveness against the IFAD9 commitments. In section IV the initiatives taken to improve IFAD's institutional effectiveness and efficiency in relation to the IFAD9 commitments are discussed. Section V presents the steps taken to strengthen IFAD's financial capacity and management. In section VI, progress made on enhancing IFAD's results management system is presented, together with results to date, as reported in the 2013 RIDE. Section VII provides general conclusions.⁵

II. Delivery of the IFAD programme of work under IFAD8 and the first year of IFAD9

A. IFAD's new business model

8. Following the IEE undertaken in 2005, IFAD began to develop a new business model to guide the conduct of its development operations. The initial work on the new business model was codified in the Report of the Consultation on IFAD8. The new business model included: (i) an upgraded project quality enhancement (QE) and quality assurance (QA) system; (ii) IFAD taking direct responsibility for supervising the projects it funds, instead of giving such responsibility to cooperating institutions as had been the case in the past; (iii) improved country strategies, namely, results-based country strategic opportunities programmes (COSOPs); (iv) introduction of IFAD staff presence at country level to enhance IFAD's implementation support to countries; and (v) the introduction of greater environmental sensitivity in IFAD-funded projects, including new environmental and social safeguard policies.

B. Delivery of the IFAD8 programme of loans and grants and programme of work

9. Table 1 below shows the progress realized in terms of delivering the IFAD8 programme of work under the new model. This includes the PoLG financed from IFAD's own resources, programmes funded through cofinancing, and programmes supported by resources from other institutions but managed by IFAD.
10. In 2010, the first year of the IFAD8 period, the value of loans and grants extended by IFAD from its own resources amounted to US\$828 million. This increased in

³ See Report of the Consultation on the Ninth Replenishment of IFAD's Resources (document GC35/L.4), p.14

⁴ Although the financing of IFAD9 projects and programmes started at the beginning of 2013, IFAD had begun work on the other IFAD9 commitments in 2012.

⁵ The annexes provide more detailed reports on key IFAD9 commitments. In particular, annex I provides a synoptic report on the IFAD9 commitment matrix, with a short progress report on each of the 56 commitments.

2011, reaching a value of US\$997 million, and US\$1.04 billion in 2012. The three-year IFAD8 PoLG totalled US\$2.9 billion.

11. IFAD mobilized cofinancing from both international and domestic financiers (government, farmers and the private sector) amounting to about US\$4.1 billion, close to the target US\$1.5 of cofinancing per dollar loaned or granted by IFAD. For the IFAD8 period, the total IFAD programme of work, including programmes funded from non-IFAD sources but managed by IFAD, and including cofinancing from all sources, reached US\$7 billion.

Table 1

IFAD8 programme of loans and grants and cofinancing

(Millions of United States dollars)

	IFAD7			IFAD8		
	2007	2008	2009	2010	2011	2012
IFAD loans	421	440	454	628	731	658
IFAD Debt Sustainability Framework (DSF) grants	99	113	190	150	216	315
IFAD grants ^a	36	41	47	50	50	69
Total IFAD PoLG^b	556	593	691	828	997	1 042
Other funds under IFAD management (estimated) that are loaned or provided as grants by IFAD ^c	65	129	68	166	261	188
Other cofinancing (international and domestic)	714	595	719	1 556	1 078	884
- donor cofinancing	447	312	356	622	244	284
- domestic cofinancing	267	283	362	934	834	600
Total IFAD programme of work	1 335	1 316	1 478	2 549	2 336	2 114

Sources: 2012 Annual Report, Project and Portfolio Management System (PPMS) and Grants and Investment Projects System (GRIPS)

^a Refers to all types of grants except for DSF grants.

^b Includes ASAP resources in 2012.

^c Loans and grants implemented by IFAD, financed from other funds managed or borrowed by IFAD, including the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund), the Global Environment Facility/Least Developed Countries Fund (GEF)/(LDCF), Global Agriculture and Food Security Program (GAFSP), the European Commission and European Union, and bilateral supplementary grants. These funds have conventionally been treated as cofinancing.

12. **Disbursements of loans and grants.** After some years of low growth, the disbursement of loans and grants also increased significantly during IFAD8, as shown in table 2 below. The increase in disbursements reflects not only growth in the size of the ongoing portfolio, but also the improved implementation support now provided to IFAD-financed projects and programmes.

Table 2

Disbursements

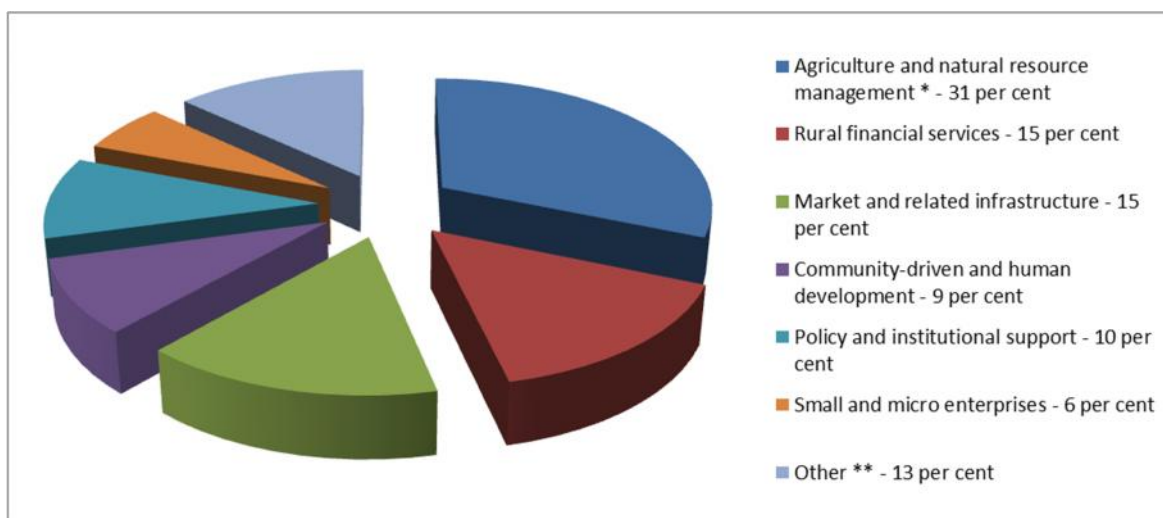
(Millions of United States dollars)

	2007	2008	2009	2010	2011	2012
Loans, DSF grants and component grants	403	444	443	500	629	723
All other grants	36	31	39	38	36	64
Total	439	475	482	538	665	787

13. **Thematic areas of engagement.** The distribution of the IFAD portfolio by subsector as of the end of 2012 is shown in figure 1 below.

Figure 1

IFAD's current portfolio financing by subsector (as at end 2012)



Source: PPMS

* Agricultural and natural resource management includes irrigation, rangelands, fisheries, research, extension and training.

** Other includes communication, culture and heritage, disaster mitigation, energy production, monitoring and evaluation, management and coordination, and post-crisis management.

C. Delivery of the IFAD9 programme of loans and grants and the programme of work

14. **Programme of loans and grants.** IFAD has begun to deliver the IFAD9 programme of work. During the first year of IFAD9 (2013), the PoLG funded by IFAD's resources amounted to US\$877 million.⁶ IFAD expects that the value of loans and grants will total about US\$1.07 billion for 2014 and US\$1.05 billion for 2015, amounting to an overall IFAD9 PoLG funded from IFAD resources of US\$3 billion (see table 3). Of these amounts, IFAD expects to meet its IFAD9 commitment to provide 40-50 per cent of the financing to sub-Saharan Africa. Some 76 projects and programmes are currently being prepared for approval in 2014 and 2015. A projected nine projects and programmes planned for 2014 will mobilize financing from the Adaptation for Smallholder Agriculture Programme (ASAP). IFAD is thus on track to deliver the total PoLG agreed for IFAD9.

⁶ The dip in 2013 reflects the slower start in the first year of each replenishment period, as the three-year programme takes time to gear up fully and many projects take more than a year to design. In addition, several loans slipped to 2014 (in Burundi, Georgia, India and the Philippines) as negotiations could not be completed on time.

Table 3
Programme of loans and grants for IFAD9
(Millions of United States dollars)

	2013	2014	2015
			Target
IFAD PoLG based on funding from replenishment, loan reflows and investment income ^a	888	1 063	1 049
PoLG based on supplementary funding to IFAD ^b	171	478	478
Donor cofinancing ^c	253	253	253
Domestic contributions ^c	570	570	570
Total IFAD programme of work	1 882	2 364	2 350

^a Includes ASAP financing and planned sovereign borrowing by IFAD.

^b Refers to funds made available mainly through cofinancing mechanisms directly managed by IFAD such as the GEF, GAFSP and the Spanish Trust Fund.

^c Other funds under IFAD management are considered part of cofinancing.

15. **Programme of work.** As noted above, the programme of work (PoW) is delivered not only through IFAD loans and grants financed from IFAD's resources but also through supplementary funds and cofinancing. Through its efforts to mobilize additional resources in cofinancing and in funds managed by IFAD, Management will support an overall programme of work of about US\$1.9 billion in 2013, approximately US\$2.3 billion in 2014 and US\$2.3 billion in 2015 for a total of US\$6.6 billion. This is lower than the US\$7.5 billion projected during the IFAD9 Consultation, due largely to expected shortfalls in international and domestic cofinancing, as cutbacks in ODA budgets and national fiscal constraints respectively are making the mobilization of such cofinancing increasingly difficult.⁷ In response, IFAD will redouble its efforts to mobilize other resources to meet the IFAD9 target (see section V below).

D. The new IFAD business model and delivering the IFAD8 and IFAD9 programme of work

16. IFAD's capacity to expand the PoLG, to mobilize resources from its development partners and to reach a larger target population has in large part been made possible by the changes introduced through its new business model. In particular, the new QE and QA systems, direct supervision and implementation support, and country presence have had profound effects.
17. **Quality enhancement and quality assurance.** The internal project QE process was reformed in IFAD8 in order to improve the quality of projects submitted to IFAD's Executive Board. This involved substantial in-house technical reviews of all projects during design, and an independent check of their quality by experienced external consultants – the QA process – before presentation to the Executive Board (see table 4 for the QA results in 2013).

Table 4

Percentage of projects reviewed independently prior to submission to IFAD's Executive Board, found to be moderately satisfactory or better (quality assurance results)

2010/2011 base	2013	2015 target
79	93	85

18. With the experience gained during the IFAD8 period, the Policy and Technical Advisory Division (PTA) and the Environment and Climate Division – the two

⁷ However, the situation could change in 2014 and 2015 should the Additional Resource Mobilization (ARM) initiative that IFAD is pursuing with governments, the private sector and foundations begin to bear fruit (see section V in this report).

divisions that are the repository of IFAD's technical expertise – have modified their approach to QE and QA by shifting their attention to early project design. As of the first year of IFAD9, PTA is now playing a supportive role by participating fully in project design teams rather than through desk reviews or compliance-driven approaches focused on review meetings.

19. The two divisions now also participate in supervision missions, providing support to the country programme managers (CPMs) and in-country project managers. They also support IFAD's policy dialogue with country counterparts and help countries to mobilize new sources of climate and environment finance. The documentation required under the previous QE process has been substantially streamlined and simplified to reduce redundancies and to focus staff time on value-adding contributions. To support these changes, the number of technical staff will be increased in 2014 and the use of consultants reduced, as was recommended by the Independent Office of Evaluation of IFAD (IOE) in the 2013 corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations (CLEE).
20. **Direct supervision and implementation support.** The IFAD business model approved for IFAD8 foresaw a significant increase in the share of projects under direct supervision. On 1 July 2007, of the 151 projects in the ongoing portfolio, IFAD directly supervised 32, or about 18 per cent of the total. This ratio had increased to 57 per cent (101 projects) by July 2008 and 83 per cent (169 projects) by July 2009. By end-2013, IFAD's ongoing portfolio consisted of 251 projects, of which 236, or 94 per cent, are directly supervised by IFAD.⁸
21. In order to discharge the responsibility of direct supervision and to build up internal capacity, IFAD provided a significant amount of training for its staff in the supervision of projects and in procurement. These capacity-building exercises have resulted in more intensive involvement of IFAD CPMs/officers in the supervision process. Currently, some 58 per cent of supervision missions are led either by the CPMs or by staff based in IFAD country offices (ICOs).⁹
22. In addition, a system was implemented to track the receipt and processing of withdrawal applications from borrowers' project management units to expedite the disbursement of funds. As a result, the time needed for IFAD's internal processing of withdrawal applications was reduced from 29 days during 2010/2011 to 16 days in 2012/2013 (see table 5).

Table 5

Time taken to disburse funds following receipt of withdrawal applications
(days)

	2010/2011	2011/2012	2012/2013
Time taken to disburse funds following receipt of withdrawal applications	29	25	16

23. **Country presence.** As envisaged in the new business model, IFAD has significantly increased its presence in the field by establishing a progressively larger number of country offices. During the pilot phase (2004-2007), IFAD established 15 country offices. Since then, the Executive Board has successively approved the opening of additional offices. In 2011, the Board approved the IFAD Country Presence Policy and Strategy, which entailed the establishment of a

⁸ IOE's corporate-level evaluation on "IFAD's Supervision and Implementation Support Policy" (IOE Report 2846, October 2013) called the move towards direct supervision "... probably the most far reaching change to IFAD's operating model." While identifying areas for improvement, the IOE documented many benefits of the change in enhancing IFAD's development effectiveness.

⁹ Given that IFAD had very little experience in direct supervision before 2008, the proportion of CPM-led supervision missions can be considered highly satisfactory.

maximum of 40 offices. A total of 39 offices have been opened so far,¹⁰ with one more in the process of opening.

24. The expansion of country offices not only contributed to delivering a much larger PoLG but also helped in effectively managing the sharp increase in the number of projects directly supervised. Without a cadre of staff located in-country, IFAD's transition to direct supervision would likely have been very difficult. Interviews with government officials and project staff have identified stronger implementation support as the main value-added of IFAD's country offices. Measured against the metrics of entry into force of projects, sound financial management, disbursement rates, availability of counterpart funds and compliance with procurement procedures, it is evident that programmes in countries with country offices have performed better than those without.

E. Conclusions and prospects for 2014 and 2015

25. Since the conclusion of the IFAD9 Consultation in 2011, IFAD has successfully delivered the IFAD8 PoLG, which amounted to US\$2.9 billion. The Fund was also successful in raising additional resources through cofinancing from international and domestic sources, leading to delivery of a total programme of work of US\$7 billion under IFAD8.
26. In the first year of IFAD9, the Fund delivered a PoLG of nearly US\$900 million and it is confident that the entire US\$3 billion PoLG will be delivered by the end of the IFAD9 period, in 2015. However, given that international and national cofinancing of agricultural projects has declined since the increase observed in the 2007-2009 period, IFAD may find it difficult to reach the goal of a total programme of work of US\$7.5 billion for the IFAD9 period.
27. The delivery of an expanded programme of work in IFAD8 and the first year of IFAD9 that meets not only the volume targets but also the quality targets set in the RMF has been made possible by implementing and continuously improving IFAD's new business model. The QE and QA programmes have contributed to improving the quality of projects at entry. Direct supervision and implementation support have enabled IFAD to address issues on the ground much more expeditiously and effectively. And increased country presence through the opening of 40 country offices has brought IFAD closer to its clients, enabling it to address project-related issues and to engage more fully in country-level policy dialogue.
28. IFAD will continue to refine its business model to ensure delivery of the programme of work for the remaining two years of IFAD9 and to achieve or surpass the results and impact expected of it under IFAD9. It will also step up resource mobilization work to offset declining cofinancing flows with the goal of delivering the planned IFAD9 programme of work of US\$7.5 billion.

III. Increasing IFAD's operational effectiveness under IFAD9

29. The IFAD9 Consultation called on IFAD to build on the positive results achieved under IFAD8 to enhance operational effectiveness in several areas. The key initiatives taken in the first year of IFAD9 in response to the commitments made

¹⁰ Asia and the Pacific Region (APR): Bangladesh, China, India, Indonesia, Lao People's Democratic Republic, Nepal, Pakistan, Philippines, Sri Lanka and Viet Nam; East and Southern Africa (ESA): Burundi, Ethiopia, Kenya, Madagascar, Mozambique, Rwanda, Uganda, United Republic of Tanzania and Zambia; Latin America and the Caribbean (LAC): Plurinational State of Bolivia, Brazil, Guatemala, Haiti, Panama and Peru; Near East, North Africa and Europe (NEN): Egypt, Sudan and Yemen; West and Central Africa (WCA): Benin, Burkina Faso, Cameroon, Congo, Democratic Republic of the Congo, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone.

are discussed in this section, along with the prospects for enhanced operational effectiveness in the remaining two years of IFAD9.¹¹

A. Key IFAD9 commitments and actions taken

30. **Aid effectiveness:** The IFAD9 Consultation resulted in an operational commitment to improve IFAD's aid effectiveness through three mechanisms: (a) strengthen country leadership and ownership of IFAD-financed programmes and projects; (b) strengthen, and where feasible, increase reliance on country systems and implementation structures; and (c) raise the level of IFAD technical cooperation implemented through coordinated programmes with other donors and institutions.
31. Well ahead of many other international organizations, IFAD's business model has long been based on ensuring project management by the institutions of its borrowing Member States rather than IFAD staff. IFAD has found this approach to be crucial to ensuring country ownership. In addition, since the beginning of 2013, IFAD has taken a number of measures to further strengthen country ownership. IFAD now includes government and non-government representatives as members of the teams preparing COSOPs and projects. Government representatives are increasingly participating in project supervision missions, and taking responsibility for project completion reports. In terms of harmonization with other donors, over 60 per cent of IFAD projects are cofinanced with other donors, and all projects include contributions from governments – and sometimes also from local farmers' organizations and the private sector. Indeed, these projects are increasingly forming part of larger government agricultural programmes.
32. Recent independent (external) reviews of IFAD's achievements vis-à-vis aid effectiveness and aid harmonization objectives have generally been positive.¹² MOPAN rated IFAD¹³ as adequate to strong on supporting national development strategies and using country systems; adequate to strong on consultation with direct partners/beneficiaries and on harmonizing procedures with other donors; and strong in the area of country focus.¹⁴
33. To improve performance on the aid effectiveness agenda during the last two years of IFAD9, IFAD will take the following actions: (a) expand the number of country offices from 40 to 50; (b) seek to cofinance as many projects as possible; (c) actively solicit partnerships in project preparation and supervision with international and domestic actors; (d) participate actively in the aid effectiveness agenda; and (e) focus on project and country programme sustainability.
34. **Scaling up.** The IFAD9 Consultation Report stressed that scaling up is mission-critical for IFAD, as achieving the target of enabling 80 million people to lift themselves out of poverty is founded on scaling up IFAD's impact. IFAD9 called for IFAD to strengthen country programme development to ensure systematic

¹¹ The discussion in this section is structured around the commitments made under IFAD9. See annex I for the IFAD9 Commitment Matrix.

¹² See: (a) Multilateral Organisation Performance Assessment Network (MOPAN) Institutional Report for IFAD, October, 2013 (annex III); (b) United Kingdom House of Commons, International Development Committee Multilateral Aid Review (MAR) (Fourth report of Session 2013-2014) 25 July 2013 (HC 349); (c) Australian Multilateral Assessment, March 2012 for IFAD (by Australian Aid); and (d) United Kingdom's Department for International Development (DFID), MAR, Update 2013 for IFAD.

¹³ The three possible ratings are strong, adequate and inadequate.

¹⁴ With regard to assessments by bilateral institutions, the Australian Multilateral Assessment rated IFAD satisfactory on partnership behaviour, strong in working effectively with others, weak in alignment with partner countries' priorities and systems, and strong in providing a voice for partners and other stakeholders in decision-making (pp. 12-13). The United Kingdom House of Commons report evaluated 43 multinational organizations and found IFAD to be good on all 10 components of its assessment framework, which included a component on partnership behaviour. Only nine of the 43 organizations received a better rating than IFAD, and of these only one was a United Nations agency. The DFID MAR report found IFAD to be "a trusted partner of development countries"; with "improved delivery of sustainable results at country level". However, DFID's MAR highlighted "the need to improve sustainability of results at country level".

attention to scaling up, broader partnership building, more rigorous policy analysis and active engagement in national policy dialogue on agriculture and rural development. The importance of effective knowledge management (KM) processes was also stressed in order to enhance IFAD's capacity to capture and harness evidence-based knowledge for scaling up.

35. In 2013, the Brookings Institution published results of country studies documenting IFAD's experiences with scaling up in Albania, Cambodia, Ethiopia, Ghana, the Republic of Moldova, Peru, the Philippines and Viet Nam.¹⁵ The broad finding of the study is that IFAD-financed programmes, when successful, are only sometimes scaled up by governments, other donors and IFAD itself (see box 1 for two examples of recent scaling-up initiatives by IFAD). However, successful projects are often only partially scaled up and in some cases, not at all.
36. In response to the IFAD9 commitment and the findings of the Brookings study, IFAD undertook specific activities in 2013 to promote the scaling up of its operations. These include: designing and managing country programmes and projects for scale impact; undertaking supervision and providing implementation support and M&E for scale; building partnerships; putting greater emphasis on KM and learning events; and engaging in evidence-based policy dialogue for impact at scale. To provide resources for these efforts, IFAD Management has recently approved a scaling-up support programme aimed at mainstreaming scaling-up into the IFAD operating model. Seed financing was obtained from the United Kingdom-financed Innovation Mainstreaming Initiative (IMI).

Box 1

Recent examples of policy dialogue and scaling up in Uganda and Brazil

Uganda

In Uganda, the recent design process for a new rural finance programme provided an opportunity to engage with the Government on the country's rural finance policy framework. Building on its capital as a long-term partner, IFAD was able to convince decision-makers of the importance of making long-awaited reforms in the sector and modifying key aspects of the rural finance policy framework. These reforms are deemed essential to creating an enabling environment for the implementation of the new programme and the achievement of development impact. During the process of programme design in 2013, agreement was reached with the Government on the need to review both the regulatory framework for savings and credit cooperatives (SACCOs) and its own engagement with savings and credit groups. The Government has subsequently requested IFAD's assistance to elaborate a new rural finance/microfinance policy or strategy and to operationalize the regulatory framework for SACCOs.

Brazil

In Brazil, IFAD has worked for many years in the semi-arid north-east, the poorest region in Brazil. The Dom Helder Camara project there was regarded as particularly successful, having developed a series of methodologies and innovations that had the potential to be disseminated and scaled up and influence public policies. A favourable public policy environment and the Federal Government's commitment to family farming allowed IFAD to replicate the project through a number of state-level projects, which served as vehicles for operationalizing the federal policy for rural poverty reduction. The second phase of the Dom Helder Camara project, during the period 2013-2019, will be managed at the federal level and will serve to bring together a network of state-level projects. This will allow for improved knowledge sharing and dissemination of best practices among the state-level projects. It will also provide a channel for the Federal Government to obtain experience and feedback from the field to inform its policymaking.

37. IFAD has also paid particular attention to deepening its policy dialogue with Member States. To this end, it has started to implement a new action plan for engaging in country-level policy processes. The plan, which was shared with the Executive Board in April 2013, focuses on expanding opportunities for IFAD to

¹⁵ Brookings Institution. Scaling up programmes for the rural poor: IFAD's experience, lessons and prospects (phase 2), January 2013.

engage with governments and civil society on key agriculture and food policy issues. The aim is to ensure that policy engagement is seen as a distinct activity within IFAD's country programmes and that all project activities are used as opportunities to promote policy dialogue and change. These objectives would be accomplished by supporting national processes for policy development and implementation and by engaging directly in evidence-based policy dialogue. In addition, the capacity of staff to engage in policy discussions at national and international levels is being enhanced. And with resources provided by IMI, focused country policy activities will be undertaken that supplement the policy-related activities already implemented through the projects financed by IFAD.

38. With respect to enhancing KM in support of scaling up, a new KM framework has been completed, which builds upon the previous KM strategy of 2007. It aims to improve knowledge sharing across departments and divisions within IFAD and with partners through more collaborative ways of working and through the use of online platforms. It also aims to strengthen knowledge generation and sharing from country programmes through better M&E.
39. **Private sector.** Under IFAD9, the Fund committed to increasing its engagement in policy dialogue with the goals of promoting more conducive rural business environments and enabling smallholders to gain access to financial services, markets and value chains. In addition, private-sector actors were to be engaged more systematically in country and project programming. ICT activities were also to be more broadly supported in IFAD operations.
40. In line with these commitments, IFAD is promoting greater private-sector involvement in agricultural development. This is being achieved through such actions as discussing, at the government level, issues affecting the private sector during the preparation of country strategies and projects and facilitating mutually beneficial public-private partnerships (PPPs) at the project level. IFAD's goal is to help establish PPPs that are transparent and that create win-win situations for both private companies and rural people. Where appropriate, IFAD will provide grants through the private sector to promote such relations; the first such grant was approved by the Executive Board in December 2012.
41. IFAD is also working with various partners to identify private-sector models that strengthen land and natural resource rights and boost agricultural development. IFAD is introducing project models with private-sector investment that include different types of contract farming schemes, joint ventures, management contracts and new supply chain relationships. Projects in support of PPPs have been prepared in a number of countries (see box 2 for examples).
42. At the global level, IFAD is engaging more proactively with corporate partners to help deliver better results to its target group. In 2013, IFAD began developing a global strategic partnership with Intel Corporation to support smallholders through mobile and information technology farm extension services in Asia. Further, IFAD is holding discussions with multinational agri-food companies to learn about their smallholder engagement priorities and to identify the potential to leverage their buying power in support of smallholder producers.
43. **Gender equality and women's empowerment.** The IFAD9 Consultation called on IFAD to strengthen the analysis of gender equality and women's empowerment issues in COSOPs and projects and to promote economic opportunities for rural women. It also called on IFAD to enhance indicators to measure impact and results regarding gender equality and women's empowerment. In addition, IFAD was called upon to document field experiences and strengthen its advocacy in this area.

Box 2

Promoting mutually beneficial engagements between smallholders and the private sector**Alternatives to large-scale land acquisitions**

Much media attention has focused in recent years on the potentially negative impact on poor rural people of large-scale land acquisitions by foreign and domestic investors. As an alternative to such large land acquisitions, IFAD is working with governments, smallholder farmers and the private sector to identify inclusive business models that can boost production without threatening the land and natural resource rights of smallholders. IFAD's interventions in three African countries illustrate these efforts.

Uganda: The Vegetable Oil Development Project has set up effective and productive collaboration between the Government, a private company and smallholder farmers around the goal of revitalizing domestic production of vegetable oil. Under the partnership arrangement, the palm oil mill provides a secure market for smallholder producers who, in turn, guarantee the supply of raw material. In the first phase, about 3,200 hectares of public land was allocated for the estate and about 3,300 hectares of privately owned land was purchased by the company. Occupants of both public and private land were compensated and integrated into the scheme as were most neighbouring residents. About 3,500 hectares are cultivated by 1,400 smallholder farmers through an out-grower scheme. The project also secured a minority share for the farmers in the company. Incomes of smallholder farmers have increased, significantly boosting the local economy.

Rwanda: An IFAD-supported project helped tea growers to gain secure access to their land and also form cooperatives. With the opening of a new, privately owned tea factory in 2008, the farmers not only gained a secure market but the project also helped farmers' cooperatives to gain a 15 per cent stake in the factory.

Mali: Smallholder farmers supported by IFAD are partnering with Mali Biocarburant SA in a combination of a joint venture and contract farming. The farmers have not only kept their land rights and sell jatropha nuts for processing to the company, but also profit as shareholders. To promote local food security, the jatropha trees are intercropped with food crops or grown on unproductive land.

Linking community-based financial organizations with commercial banks through mobile banking

The typical poor member of a remote community-based financial organization (CBFO) is not a customer of interest to the formal financial sector. However, a group of 20 to 30 individuals, working as a group to establish mature savings operations, is a much more interesting prospect. Linking such CBFOs into a network provides an even greater incentive for formal financial institutions to provide services. For members of CBFOs, linkages to formal financial institutions can, in turn, mean access to larger loans and other financial products and services.

The Rural Financial Services Programme (RFSP/PAFIR) in Mozambique (2005-2014), co-funded by IFAD, promotes the establishment of savings and credit associations (ASCAs). ASCA groups are composed of 15 to 30 members each, providing a savings facility and credit for their members on a weekly basis. The savings are, however, kept in the house of one of the group leaders, involving significant risks for the groups. For these groups, linking up with commercial banks would provide a solution, but the distance and time involved in reaching banks made this unfeasible for the majority of groups. But following the approval by the Bank of Mozambique for a Mozambique cellular company to start operating a mobile banking platform (M-Kesh), IFAD helped design a project involving the RFSP, the M-Kesh platform and the service provider Ophavela to provide mobile banking services to CBFOs. Groups participating in the pilot project are now providing savings facilities and credit to their members electronically. The money that was previously kept in the homes of leaders is now deposited with an M-Kesh agent and transferred to the groups' accounts, greatly improving the security of the groups' savings.

44. IFAD's work in these areas is guided by its 2012 Policy on Gender Equality and Women's Empowerment.¹⁶ However, in response to the IFAD9 commitments, project design and supervision missions are systematically taking up gender-related issues. Objectives and targets and field experience are all being documented, and reported in more detail (see annex III and box 3.) In addition,

¹⁶ IOE's evaluation of IFAD's work on gender equality and women's empowerment in 2010 provided a way forward in response to the IFAD9 commitments.

the IFAD9 RMF has added gender-related indicators, which are being monitored and reported on. IFAD will continue to strengthen its work on gender by training its own staff, ensuring attention to gender issues in all aspects of project design and implementation, and developing more comprehensive measurements of impact.

45. In response to commitments made in the IFAD Policy on Gender Equality and Women's Empowerment and the requirements of the United Nations system-wide Action Plan (UN-SWAP) on gender mainstreaming, IFAD has developed a methodology to provide gender-disaggregated data in IFAD's loan portfolio. A pilot methodology has also been developed to analyse the allocation of staff, short-term staff and consultant costs attributable to gender-related and supporting activities. The outcome of this pilot work was reported in the 2014 budget submission. The analysis of IFAD's loan portfolio shows that about 77 per cent of the loans approved by the Board from mid-2012 to mid-2013 by value had moderately satisfactory or above gender content. The latest data show that 90 per cent of projects under implementation have a moderately satisfactory or better focus on gender.
46. The UN-SWAP on gender provides an overview of the promotion of gender equality and the empowerment of women throughout the entire United Nations system, and allows tracking of progress on the set of 15 common system performance indicators that make up the core of the UN-SWAP accountability framework. Based on the first round of reporting in February 2013, IFAD's performance was better than that of the United Nations system overall, and was rated close to the top-ranking agencies in this respect.¹⁷

Box 3

Gender in IFAD-supported projects

In 2012, women's representation among people receiving services from IFAD-supported projects continued to increase (from 28 million in 2011 to 37 million in 2012). Women now account for almost half of all beneficiaries (49 per cent) (see table 11). The principal thrust of the majority of IFAD loans is to promote economic empowerment to enable rural women and men to have an equal opportunity to participate in, and benefit from, profitable economic activities. Women dominate training in business and entrepreneurship (accounting for 84 per cent of those trained) and rural financial services (where they account for over 70 per cent of both savers and borrowers). During the past year, the number of women participating in training in crop and livestock production practices and technologies has grown as well.

Initiatives to enable women and men to have equal voice and influence in rural institutions and organizations take place in a variety of contexts, ranging from project-related institutions at the community level, to farmers' and producers' organizations, through to national forums and global gatherings. Many IFAD-supported projects enable women to access basic infrastructure, services and labour-saving technologies in order to reduce drudgery and to achieve a more equitable balance in workload. Drudgery reduction is often the key to enabling women to become active stakeholders in project implementation.

47. **Climate change and sustainable management of environmental resources.** IFAD9 called on IFAD to strengthen the analysis of climate change and environmental issues in IFAD's operations and to support innovative approaches to climate resilience and sustainable use of natural resources. It also called on IFAD to (i) operationalize ASAP; (ii) make climate finance available for better climate risk management in IFAD investment programmes; and (iii) share knowledge on climate change and on environment and natural resource management with partners.
48. In line with these IFAD9 commitments, IFAD began implementing ASAP in the last quarter of 2012. ASAP now represents the largest climate change adaptation

¹⁷ Bilateral assessments were also generally positive. The DFID MAR report was positive in its commentary on IFAD's work on gender. The Australian evaluation found that IFAD's "focus on cross-cutting issues, particularly gender, environment and people with disabilities" was "satisfactory".

initiative for smallholder farmers worldwide. Some of the key actions taken under the auspices of ASAP and the challenges faced are the following:

- (a) Through the end of 2013, IFAD provided support to 11 projects under ASAP for a total value of US\$108 million.
 - (b) While climate change is well integrated into corporate policies such as IFAD's Strategic Framework, work is now under way to integrate it into other thematic areas, such as value chains, economic analysis and nutrition – a much more challenging endeavour.
 - (c) ASAP has helped accelerate the integration of climate resilience into project cycle procedures and practices. The next stage is to ensure such practices are universally applied across the portfolio.
 - (d) ASAP has also helped boost capacity and knowledge on climate adaptation. Considerable learning-by-doing has been achieved by integrating climate considerations fully into the design of nine IFAD projects under ASAP in 2013. In addition, more than one quarter of IFAD's professional staff took part in internal climate adaptation training in 2013.¹⁸
49. IFAD's work on climate and environment is gaining increasing international recognition. At the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties held in Warsaw in 2013, the ASAP was awarded Momentum for Change Lighthouse status for innovation on climate finance. Other external reviews have also been positive: MOPAN stated that "IFAD is considered strong in incorporating cross-cutting themes of ... environment"; Australia found this work to be "satisfactory"; and DFID's MAR commented favourably "on IFAD's work on climate change adaptation."

¹⁸ Annex IV reports in detail on IFAD's work on climate change.

Box 4

Building climate resilience in Yemen

Climate change is increasing the variability of rainfall in Yemen, which leads to more intense rainfall events and more extended droughts. Rising trends in erosion, heat and water stress in crop cultivation and livestock raising, and in flash floods causing damage to infrastructure, are weighing most heavily on the livelihoods of poor rural communities, impacting on women and marginal groups in particular. Droughts are exacerbating the water scarcity in Yemen and are having a detrimental impact on rainfed agriculture, which constitutes the economic mainstay of the rural population.

Through financing provided by ASAP, IFAD has analysed the scale of climate-induced risks for Yemen's agricultural production and identified hot spots for the most prevalent climate hazards, including flash floods and soil erosion. Grounded in a geographic information system (GIS)-based vulnerability assessment, a US\$127.4 million investment programme has been created to increase the economic and climate resilience of 176,000 rural households. The programme is supporting community action plans in 550 village units to identify investment priorities in the areas of water harvesting, drinking water management, land conservation, road rehabilitation and the adoption of renewable energy.

Approximately 275 water-harvesting structures with a catchment area of 1,340 ha will be constructed, providing access to drinking water for 38,400 households and restoring 1,150 ha of abandoned terraces to productive use. A total of 244 kilometres of rural roads will be rehabilitated with improved engineering designs to withstand the destructive interplay between more intensive dry spells and heavier rainfall events. These measures are coupled with improved access to agricultural inputs, the roll-out of more efficient drip irrigation systems and diversified agricultural production through greenhouses.

Microenterprises and small businesses are benefiting from opportunities to gain literacy and business management skills and access credit and savings services from microfinance institutions. The vulnerability assessment undertaken by IFAD has been widely disseminated and is used by all government agencies and development partners in Yemen as a planning instrument for development programming.

50. **Project efficiency.** IFAD9 required IFAD to strengthen assessments of economic returns on investment during project design, recognizing the need to ensure that social and environmental objectives are also met. It also called for a reduction in delays in the project cycle.¹⁹
51. In response, a major training programme was launched for IFAD staff on project design and on economic and financial analysis. A specialized staff member was recruited to train and support staff in undertaking this analysis. All projects are now required to undergo an economic analysis at design.
52. With respect to delays in the project cycle, major improvements have been observed in recent years, as IFAD implements its new business model more fully. Delays between project approval to entry into force (effectiveness) have been reduced from 13.7 months in 2008-2009 to 8.3 months in 2012-2013. Similarly, the delay between project approval to first disbursement has decreased from a historical average of 18.7 months to 15.2 months in 2012-2013. As reported above, the time taken to process disbursement requests declined from 29 days in 2010/2011 to 16 days in 2012/2013. These improvements should be reflected in enhanced economic efficiency results for projects closing in 2014 and 2015.
53. **Country-level decentralization.** IFAD9 called on IFAD to open additional country offices in line with the IFAD Country Presence Policy and Strategy, ensuring adequate delegation of authority at country level, and cost efficiency in the set-up and operation of country offices. Incentives for outposting internationally recruited staff were also to be created.
54. The implementation of the IFAD9 commitments is on course. All planned country offices have been established and staffed, except for one in Benin which will

¹⁹ Project economic efficiency has been the worst performing indicator assessed at project completion, with only 60 per cent of closed projects rated moderately satisfactory or better at completion according to the latest data. This is, however, up from a level of 45 per cent in 2005 (see figure 6).

become operational in early 2014. Delegation of authority to country office staff is being increased. Incentives for outposting international staff have been created, and, as a result, senior staff are now more interested in outposting. About one third of Programme Management Department (PMD) staff are now based in country offices. A paper entitled IFAD Country Presence Strategy (2014-2015) was submitted to the Executive Board in December 2013 (document EB 2013/110/R.5) which responded to the IFAD9 commitment and to the CLEE recommendations in this regard. As a follow up, Management intends to request the Executive Board to approve the opening of 10 new country offices by the end of 2015.

55. Management's most recent annual portfolio review exercise in 2013 suggests that projects in countries with ICOs perform better, assessed in terms of quality of project management, targeting, gender focus and poverty focus. There is as yet no noticeable difference in terms of fiduciary aspects, which are heavily dependent upon governmental systems.
56. **Fragile states.** Under IFAD9, IFAD was requested to adopt a flexible approach to programme design and implementation support in fragile states, with a strong focus on building the capacity of community and government institutions. IFAD was to enhance the quality of programme design and implementation support in fragile states, ensure simplicity of project objectives and activities and strengthen risk management. These recommendations were consistent with IOE's findings that IFAD's work is least effective in fragile states.
57. In response to these commitments, IFAD, in cooperation with FAO and regional institutions, has developed a programme for capacity-building in fragile states. The first grant to FAO for this purpose was approved by IFAD's Executive Board in September 2013. Its primary objective is to strengthen the capacity of project units, civil society and government agencies to achieve better project performance in some 10 countries. FAO is cofinancing the programme. This pilot programme will be followed with a multi-donor trust fund to finance expanded capacity-building work in all fragile states.²⁰ In line with its IFAD9 commitment, IFAD is awaiting the completion (2014) of IOE's evaluation of IFAD's work in fragile states to begin designing more simplified approaches for its programmes and projects in these countries.
58. **National M&E systems.** As part of the work to be carried out during the Ninth Replenishment period, IFAD made a commitment to strengthen national M&E systems by enhancing the capacity of project management staff and implementing partners, particularly at start-up and early project implementation through the systematic engagement of M&E experts during design and supervision missions.
59. IFAD is responding to these commitments. It has strengthened its in-house M&E capacity and is in the process of establishing a multi-donor fund to finance assistance to national M&E systems. IFAD has followed up on related IFAD9 commitments with encouraging results. It is currently above the target set for 2015 in two areas: undertaking baseline surveys and following up the baseline surveys with completion impact surveys. IFAD is now close to the 2015 target in terms of the quality of project completion reports (PCRs) (see table 6). Much work, however, still remains in the effort to strengthen national M&E systems.

²⁰ Only the Australian evaluation rated IFAD in this area, and it found IFAD "strong" in targeting the poorest people and in "areas where progress against the MDGs is lagging". It found IFAD to be "strong" in "performing effectively in fragile states". This is most likely a relative finding as all donor agencies post limited success in these situations.

Table 6
Monitoring and evaluation

<i>Indicators</i>	<i>Baseline year</i>	<i>Baseline value (%)</i>	<i>Achievement for 2013</i>	<i>Target for 2015 (%)</i>
4.5.1 Percentage of projects with Results and Impact Management System (RIMS) or equivalent baseline surveys (cumulative percentage)	Mid-2011	23	64	40
4.5.2 Percentage of projects submitting RIMS impact survey	Mid-2011	70	78	95
4.5.3 PCR quality (percentage rated 4 or better)	2010-2011	80	88	90

60. **South-South and triangular cooperation.** The IFAD9 Consultation report called on IFAD to establish and provide resources for South-South and triangular cooperation. This function was to be mainstreamed across country programmes.
61. A paper indicating how IFAD would support South-South cooperation was presented to the Executive Board in 2012. In line with the approach proposed therein, IFAD has promoted study tours by government and project staff from one borrowing country to another to observe best practice in projects and country programmes. Most notable in this regard were the learning routes study tours to Peru undertaken by government and project staff from several African and Asian countries. The systematic collection and dissemination of project experiences to enable other countries to benefit and duplicate successful innovations is now a major IFAD objective within its KM framework (see box 5).

Box 5

IFAD and South-South Cooperation

IFAD has promoted various forms of South-South cooperation. The diversity of these interventions is illustrated by the following activities:

- An ongoing IFAD/Asia and Pacific region grant to China for South-South cooperation involving partners from Africa, Asia and Latin America and the Caribbean.
- A recently approved IFAD/European Union grant to AfricaRice for South-South cooperation on rice development in sub-Saharan Africa under the Coalition for African Rice Development involving exchanges with rice-producing countries in Asia, Latin America and the Caribbean (Brazil) and North Africa (Egypt).
- Targeted country-to-country study tours and exchange visits under IFAD country programmes or grants to strategic partners.
- A forthcoming South-South triangular cooperation grant through the United Nations to selected centres of excellence in North Africa, the Middle East and central Europe.

62. **Partnership and advocacy.** Under IFAD9, IFAD committed to increasing the focus on strategic long-term partnerships, in particular with FAO and the World Food Programme (WFP), in order to contribute to the success of the Committee on World Food Security, strengthen country programming and raise efficiency through joint servicing initiatives. In addition, partnerships were to be strengthened with multilateral development banks, the Consultative Group on International Agricultural Research (CGIAR), bilateral development agencies, the Global Donor Platform for Rural Development, NGOs, farmers' associations, and the private sector. IFAD was to intensify engagement in global policymaking forums such as the G20, and play a key role in influencing the international development dialogue.
63. To realize such partnership goals and to organize the work needed to meet them, IFAD established the Office of Partnership and Resource Mobilization (PRM). In addition, the IFAD Partnership Strategy was approved by the Executive Board in September 2012 to guide work in this area.²¹
64. With the President of IFAD as a part of the Leadership Council of the New Alliance for Food Security and Nutrition, IFAD has partnered with governments, sister

²¹ IFAD Partnership Strategy (EB 2012/106/R.4).

organizations and the private sector at the highest level to promote food security and nutrition in Africa.

65. At the operational level, IFAD has paid particular attention to building a closer partnership with FAO, WFP, cofinancing partners – both multilateral and bilateral – and research institutions. FAO participates in the design of about 20 per cent of all new IFAD-financed projects. As noted above, IFAD provided a grant to FAO in 2013 for a capacity-building initiative, cofinanced by FAO, targeted at project units and government agencies involved in IFAD projects in fragile states. IFAD supports WFP's Purchase-for-Progress (P4P) programme and cooperates in rehabilitation efforts of countries affected by disasters. Together with FAO and WFP, IFAD has also supported the work of the Committee on World Food Security. It has provided funding and staff and participates actively in the Committee's work.
66. IFAD's three most important cofinancing partners are the World Bank, the African Development Bank and the OPEC Fund for International Development (OFID). A memorandum of understanding has been signed with the Asian Development Bank to expand cooperation and cofinancing. In addition, IFAD cofinances investment projects with several bilateral development agencies. IFAD sits on the CGIAR Fund Council and provides grants to the CGIAR.
67. IFAD has operational partnerships in support of several technical areas: rural finance through a learning platform with FAO, World Bank and the Consultative Group to Assist the Poor (CGAP); gender with FAO, WFP, World Bank, OXFAM and bilateral agencies; and the newly established Platform for Agricultural Risk Management (PARM) with Italy, France, the New Partnership for Africa's Development (NEPAD) and the European Union. IFAD has participated in G8 and G20 preparatory discussions, contributing to the reports prepared by the international agencies for participants. Further, IFAD participates on the steering committee of the GAFSP and is a supervising entity under that programme. IFAD was co-chair of the Global Donor Platform for Rural Development until last year.
68. IFAD has paid particular attention to developing strong partnerships with farmers' organizations. IFAD manages the Farmers' Forum which brings together farmers' organizations from around the world every two years and finances many of these farmers' organizations, supported by grants from the European Commission. IFAD established the Indigenous Peoples' Forum in 2011 as a new space for interaction on policy issues with indigenous peoples' organizations. Furthermore, with a grant from France, Switzerland and Belgium in 2013, IFAD is helping to strengthen regional farmers' organizations in Africa and Asia.
69. In addition to its active participation in the Commission on World Food Security, and global technical and policy networks, IFAD has assigned strategic priority to participating in the global dialogue on the post-2015 development framework as the agenda resulting from these consultations is likely to have a major impact both on the environment in which the Fund operates and on the challenges and opportunities confronting smallholder family farmers and poor rural people. Consequently, commencing in 2013, IFAD established a dedicated inter-departmental taskforce to oversee corporate engagement in these processes under a steering committee chaired by the President. As its contribution to the debate, IFAD aims to place its knowledge and experience at the service of Member States. IFAD's efforts are supported by strong partnerships – including with smallholder farmers, poor rural women and men and their organizations.
70. **Nutrition.** IFAD undertook to expand its work on nutrition during the IFAD9 Consultation. Accordingly, with assistance from the Governments of Canada and Germany, IFAD is incorporating nutrition-sensitive actions into project design and country strategies. The first steps have focused on building capacity – within IFAD and in its projects – and forging stronger links with other actors in nutrition-sensitive development. The CGIAR, through its Agriculture for Nutrition and Health

(A4NH) programme, has dedicated a nutrition specialist to IFAD for three years to assist in the mainstreaming process at IFAD, secure wider partnerships, and increase knowledge exchange. IFAD also remains fully engaged in the Technical Working Group of the United Nations Standing Committee on Nutrition, the United Nations Network for Scaling Up Nutrition, and the steering group of Renewed Efforts Against Child Hunger and Nutrition (REACH). IFAD is also recruiting a senior technical adviser for nutrition.

71. Demand is increasing in borrowing Member States for assistance in designing nutrition-sensitive investments that will contribute to improved access to nutritious foods and high-quality diets for the rural poor, particularly women and children. IFAD is also linking up with institutional partners in global nutrition, including FAO and the World Bank, to ensure alignment with their guidelines and investments. In 2014, IFAD will develop a nutrition framework for action to ensure strategic organizational coherence in its approach.

B. Conclusion and prospects for 2014 and 2015

72. In response to the IFAD9 commitments to increase the Fund's operational effectiveness, IFAD has taken actions in all the areas stipulated. It is improving its **aid effectiveness** by encouraging greater government participation in all phases of its programme and project work and by promoting greater cooperation and cofinancing with its partners. To ensure that **scaling up** becomes mainstreamed, IFAD recently launched a scaling-up support programme and has deepened its **policy dialogue** by implementing its recently designed programme for engaging in country-level policy processes. A new KM framework has also been completed to assist such efforts. IFAD has stepped up its engagement with **the private sector** by promoting PPPs that are equitable and transparent and that create mutually beneficial outcomes for smallholders and private enterprises. It is also exploring opportunities for cooperation with global corporations.
73. IFAD has also stepped up its work to promote **gender equality and women's empowerment**. To ensure full gender mainstreaming in all aspects of its programme and project work, it has set up systems to closely monitor and report on gender indicators. The latest data show that 90 per cent of projects under implementation have a moderately satisfactory or better focus on gender during implementation. With respect to **climate change and sustainable management of environment resources**, the ASAP, which is now the single largest climate change initiative for smallholder farmers worldwide, became operational in the last quarter of 2012, and has provided financing to 11 projects in 2013.
74. Similar progress is being made on the other commitments. Staff members have been trained in **project efficiency** methodologies and all projects are now subject to an economic analysis at design. **Country-level decentralization** has proceeded, with the opening of 40 country offices accompanied by greater delegation of authority; and a further 10 offices are to be opened by the end of 2015. A grant has been provided to FAO for capacity-building in **fragile states** to support better management of IFAD-financed projects; plans are under way to provide support to **national monitoring and evaluation systems** through the establishment of a multi-donor trust fund; several initiatives have been launched to promote **South-South and triangular cooperation**; IFAD has strengthened its **partnership** with key strategic partners, particularly the other RBAs; and it has stepped up its **advocacy work** and taken an active role in the global dialogue on the post-2015 development framework. IFAD has also expanded its work on **nutrition** to incorporate nutrition-sensitive actions into country strategies and project designs.
75. IFAD will continue to deepen these initiatives in the knowledge that much work remains to be done. Although important initiatives have been launched in all IFAD9 areas, IFAD is aware that it still faces major challenges in areas such as enhancing

aid effectiveness, scaling up, policy dialogue, work in fragile states, strengthening national M&E systems and deepening cooperation with the private sector. Success in these will be critical over the next two years if IFAD is to achieve the operational results and impact set for IFAD9, and, in particular, the goal of enabling 80 million to lift themselves out of poverty.

IV. Increasing IFAD's institutional effectiveness and efficiency under IFAD9

76. The IFAD9 Consultation took note of the progress made under IFAD's Change and Reform Agenda (CRA), launched in 2009, which aimed at making IFAD a more effective, efficient and agile institution. The CRA had four subgoals: (i) enhancing the organizational capacity of IFAD; (ii) raising the profile of IFAD as a knowledge institution; (iii) ensuring the prudent management of the Fund's financial resources; and (iv) improving the Fund's efficiency.²²
77. The Consultation called on IFAD to continue to elaborate the CRA to sustain advances in the Fund's value-for-money and efficiency and to enhance its capacity to document progress. It noted that a key input in this connection would be the planned corporate-level evaluation of IFAD's efficiency to be undertaken by IOE.²³ More specifically, the IFAD9 Consultation called on IFAD to improve institutional effectiveness and efficiency by:
- (a) Introducing new management tools to better monitor the costs of its business processes and to facilitate cost containment and reduction. Specific tools, such as a fit-for-purpose staff time recording system, were identified.
 - (b) Consolidating human resources reform. Specific actions, such as developing instruments to promote gender competence and gender equality, were identified in the effort to further improve IFAD's HR management.
78. This section will present the key initiatives taken by IFAD in response to the IFAD9 commitments in the two areas of institutional efficiency and human resources reform. As background, the evolution of IFAD's institutional efficiency since the beginning of IFAD7 (2007) is first presented.

A. Institutional efficiency

79. **Indicators of institutional efficiency.** Level 5 of the RMF 2013-2015 includes a number of new indicators to measure IFAD's institutional efficiency. These allow comparison between the various measures of the annual programme of work against the annual administrative budget either directly or with adjustments to take into account other resources.
80. In section VI, table 12, the results for the efficiency indicators chosen by IFAD9, both ex ante and ex post, are shown (the data is reproduced in table 7 below). The actuals-based (ex post) efficiency indicators (5.4.5 – 5.4.8) for 2013 all show marked improvements with all but one of the indicators having already reached the 2015 targets. The progress on budget-based ex ante efficiency indicators (5.4.1 – 5.4.4 in table 7) is relatively modest, mainly due to increases in planned expenditures for 2014 to implement the IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency.²⁴

²² See the report submitted to the December 2012 Executive Board: Update on Change and Reform: Implementation (EB 2012/107/R.41).

²³ The CLEE was presented to the Executive Board in April 2013 (document EB 2013/108/R.3/Rev.1 + R.3/Add.2).

²⁴ Document EB 2013/109/R.12

Table 7
RMF Indicators of institutional efficiency

<i>Indicator</i>	<i>RMF baseline</i>	<i>Results 2013</i>	<i>Target 2015</i>
5.4 Improved administrative efficiency			
5.4.1 Ratio of administrative budget to the planned PoLG	14.1	14.1	Tracked
5.4.2 Share of budget allocations to: (baseline 2011)*			
Cluster 1	62	60.0	65
Cluster 2	7	8.4	9
Cluster 3	23	25.6	20
Cluster 4	8	6.0	6
5.4.3 Ratio of budgeted staff positions to total budgeted positions in:			
Cluster 1	57	58.1	61
Cluster 2	7	9	9
Cluster 3	25	26.3	22
Cluster 4	11	6.6	8
5.4.4 Ratio of budgeted staff positions in IFAD country offices to budgeted staff in country programme divisions	38	39.3	45
5.4.5 Ratio of actual administrative expenditures (including expenditures financed by management fees) to the IFAD-funded annual PoLG augmented by the value of the programmes and projects managed by IFAD but funded by other agencies	14.7	12.4	12.5
5.4.6 Ratio of actual administrative expenditures (including expenditures financed by management fees) less actual expenditures on "technical support" to developing Member States to the integrated programme of work	12.5	10.6	10.6
5.4.7 Ratio of actual administrative expenditures (including expenditure financed by management fees) to annual disbursements	22.1	19.9	18.8
5.4.8 Ratio of actual costs of General Service staff to total staff costs	30	25	25

*The cluster definitions are as follows: cluster 1: country programme development and implementation; cluster 2: high-level policy dialogue, resource mobilization, strategic communication; cluster 3: corporate management, reform and administration; and cluster 4: support to members' governance activities.
Source: Office records.

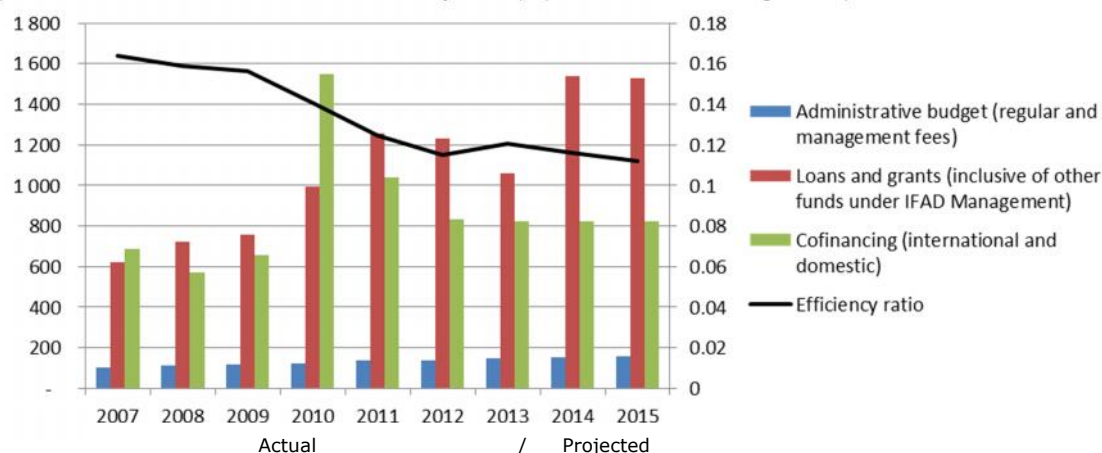
81. Underlying these improvements is the large expansion in the PoLG and programme of work in the past seven years against a backdrop of a flat or slowly expanding administrative budget (see figure 2). The improvements in overall efficiency (5.4.5) are attributable to a number of actions taken by IFAD in recent years.²⁵ These include: (i) keeping the increase in headquarters staff in check and – in the case of PMD – relying more on locally recruited staff in country offices; (ii) reducing payments to cooperating institutions (see IFAD's Business Model in IFAD9, document REPL.IX/2/R.3); and (iii) efficiency gains in key business processes.
82. The improvements in efficiency were also accomplished in part by financing larger projects. The number of investment projects approved by the Executive Board has not changed significantly since 2007, while investment projects have become larger on average. As IFAD's administrative cost per project does not increase at the same rate as the increase in the size of loan or grant, larger projects permit IFAD to commit and disburse more money per United States dollar of administrative cost.

²⁵ In figure 2 the efficiency ratio (the ratio measured as per 5.4.5 in table 7) is measured on the right axis, with a declining trend reflecting improvements.

Figure 2

Administrative budget (regular and management fees) compared to loans and grants, inclusive of other funds under IFAD management and cofinancing

(Millions of United States dollars: efficiency ratio (%) measured on the right axis)



83. **Management tools for cost containment and reduction.** In line with its IFAD9 commitments, IFAD is exploring and implementing a number of management tools to contain costs and foster cost efficiency. It is exploring the introduction of a fit-for-purpose staff time recording system to measure more accurately the deployment of staff time and also to measure the costs of key business processes. The system will be piloted in 2014 and will become operational in 2015. Such management tools should make it possible to identify more clearly inefficient and costly business processes and the actions that could be taken to achieve efficiency gains. These actions will be facilitated by significant IT upgrades undertaken in 2013 and those approved by the Executive Board for 2014.
84. An important tool that Management has used to contain staff costs is the annual strategic workforce planning (SWP) exercise initiated in 2010 and fully undertaken in 2012 and 2013 as part of preparations for the annual work programme and budget exercise. This has enabled IFAD to assess more accurately the functional deployment of staff in relation to strategic objectives and the efficiency of business processes, and as a consequence, to identify savings in staff costs. Through a careful assessment of divisional staff needs, the 2012 exercise permitted Management to reduce the total IFAD workforce by 4 per cent through vacancy controls and reorganization of workflow. The exercise, however, also highlighted the need to introduce or upgrade ICT tools to improve business processes and reduce costly staff requirements for administrative support. For 2014, the SWP proposed no increases in staffing for most divisions, except for technical staff in PMD (to be offset in part by reducing consultant costs) and in the ITC Division. These are in line with the CLEE recommendation, which considered such increases as critical to raising IFAD's effectiveness and efficiency in the medium to long term.
85. **Improving business processes.** With the goal of improving internal business processes, reducing costs and improving response times, all IFAD organizational units have reviewed their business and administrative processes in line with the IFAD9 commitment. The Office of the Secretary has achieved considerable savings through the adoption of new processes and more intensive use of ITC tools. In the Corporate Services Department (CSD), efficiency goals have focused on: improving IFAD's procurement system in the context of the common procurement team of the Rome-based agencies (RBAs); further streamlining and consolidating travel policy, rules and processes, including changes in the rules governing travel entitlements; and a business process review of records management and archive functions.²⁶

²⁶ Another initiative has been to streamline the management of tax-free fuel privileges for entitled staff, with the introduction of a tax-free fuel card. The service has been outsourced. This new fuel card has generated administrative efficiencies and cost savings by reducing the need for manual processing of petrol coupons and by lowering insurance costs as a result of the reduction in valuables (coupons) held at IFAD.

86. To promote further delegation of authority, Management approved the sub-delegation of procurement authority to directors to conduct low-value procurement of up to US\$13,000. The sub-delegation will result in administrative efficiencies and will be further streamlined by the introduction of revised corporate procurement guidelines that will significantly reduce transactional steps for low value and low risk purchases. In addition, contract reviews were carried out with major service providers in early 2013. These resulted in the implementation of rigorous key performance indicators and quarterly review meetings for all major service contracts. Cost savings of nearly US\$200,000 were negotiated for facility and security services, ICT and office supplies. With regard to the rental of multifunction devices, price reductions of US\$65,000 versus initially quoted prices were achieved as a result of joint negotiations and tendering with the other RBAs.
87. Since 2008, IFAD has made changes to its travel services system to achieve cost reductions. These changes have included (i) joint tendering with FAO for travel services to benefit from economies of scale and (ii) changes in travel regulations in response to changing needs and market conditions. The latter have included the reduction of daily subsistence allowance entitlements to reduce costs and the introduction of the first phase of the preferred hotel programme in collaboration with FAO. In addition, travel agency contracts are continuously monitored in close cooperation with the other RBAs and benchmarked through the United Nations Inter-Agency Travel Network.
88. In 2013, the travel policy and the procedures for travel processing were again reviewed and further changes introduced, resulting in efficiency gains. The travel agent system was integrated with IFAD's financial system, enabling IFAD staff to log into one corporate system (as opposed to four) in order to navigate the booking process. This is estimated to have reduced by 40 per cent the time spent by users to process bookings and travel authorizations. The above change to the travel process (in addition to other measures) has resulted in savings of over US\$0.5 million per year, which can be broken down as follows: US\$200,000 through the introduction of the preferred hotel programme in late 2012; US\$60,000 through the application of standard daily subsistence allowance (DSA) to all staff; and US\$279,000 through the elimination of 50 per cent DSA for overnight flights.
89. With regard to other areas, IFAD conducted a thorough business process review of the records management, archives and library functions in 2013. The review identified options for better system integration in the area of records management as well as measures to enhance the record management function. An action plan has been developed to respond to the key findings and recommendations.
90. There has been a major push towards collaboration with the RBAs in the joint procurement of goods and services. Through the common procurement team, joint tenders that generated efficiencies include the tenders for new multifunction devices, office equipment, catering services, electricity and gas. In all cases, cost increases were avoided through the bundling of requirements and achieving economies of scale.
91. Building on the experience of the common procurement team, the administrative divisions of the RBAs have agreed to elevate the joint procurement efforts to a more strategic level. This includes placing more emphasis on procurement planning, tendering under a lead-agency concept, and harmonization of procurement guidelines and review processes. A biannual "trade" event for interested companies from Member States to better understand RBA procurement requirements is planned for next year.
92. **IOE's corporate level evaluation of IFAD's efficiency and IFAD's revised action plan to enhance efficiency.** As noted above, IOE completed a comprehensive and far-reaching evaluation of IFAD's efficiency in 2013. The study

made seven key recommendations: (i) scale up high-impact innovative approaches; (ii) develop a clear vision for country presence; (iii) increase service quality and cost efficiency of oversight and service units; (iv) better manage scarce budgetary resources towards high-quality results; (v) manage strategically the skills composition, cost and performance of the workforce; (vi) focus oversight by governing bodies on key strategic issues; and (vii) instil an institutional culture of accountability and performance, and strengthen reporting for results. These recommendations in turn embraced several specific recommendations under each rubric.

93. The detailed and specific recommendations of the CLEE cover many of the areas for improvement identified in the IFAD9 report and therefore complement very well the IFAD9 commitments to enhance IFAD's effectiveness and efficiency. In line with its IFAD9 commitment, IFAD has revised its action plan to enhance IFAD's efficiency (presented at the Consultation), to incorporate the recommendations of the CLEE.²⁷ The Consolidated Action Plan to Enhance Operational and Institutional Efficiency was approved by the Executive Board in September 2013 and is now under implementation.
94. **Improved information and communications technology.** An important recommendation of the CLEE, and an issue noted in the IFAD9 report, was the need for IFAD to upgrade its ICT architecture to support business process reforms. In the consolidated action plan, Management has proposed a series of measures for this upgrade, including: integration of core IT platforms; upgrading IFAD's software systems to enable more efficient and effective support to IFAD country offices; implementation of ICT systems to support IFAD's operational M&E processes; and implementing mobile technologies to allow access to IFAD systems via a range of devices such as smart phones and tablets. These upgrades are expected to lead to considerable streamlining of IFAD business processes, resulting in significant efficiency gains by the end of the IFAD9 period.
95. **Operation costs for governing bodies.** An important IFAD9 commitment was the undertaking by Management to liaise with the Executive Board to explore opportunities to reduce costs associated with the operations of IFAD's governing bodies. In 2012 and 2013 Management submitted specific proposals to the Board on reducing such costs, most of which were approved by the Board. IFAD has begun to implement these changes and they have already resulted in considerable cost savings. The share of such costs in IFAD's budget declined from a high of 8 per cent in 2010 to 6 per cent in 2013, and is projected to fall to 5.7 per cent in 2014.
96. **Reporting.** As per the IFAD9 commitment on reporting, the RIDE submitted to the Executive Board in December 2013 included a report on the progress made against IFAD9 efficiency targets.

B. Human resources reform

97. IFAD has taken a number of steps to strengthen and reform its human resources management system. These have included: completing a Fund-wide job audit and developing a fully effective and sustainable annual strategic workforce planning exercise; issuing new Staff Rules and Implementing Procedures in 2012; actively addressing the issues raised by staff in the 2012 global staff survey; reviewing the performance management system; implementing a new and innovative reward and recognition framework to encourage superior performance; enhancing communication with staff on HR issues; revising the learning and development strategy, taking into account IFAD's evolving business model; and continuing HR process streamlining and automation.

²⁷ See annex V for the summary table of the Revised Action Plan to Enhance IFAD's Efficiency.

98. **Job audit and strategic workforce planning.** Two important undertakings to ensure that IFAD's human resources are properly aligned with its strategic objectives were completed in the IFAD9 period: the job audit and the strategic workforce planning (SWP) exercises. The latter has become an annual process leading to the budget preparation exercise.
99. The job audit exercise, which was completed in 2012, fully documented the deployment of staff and ensured the proper grading of positions. This was essential in helping to address the workforce distribution and grading anomalies identified in the 2010 external review of human resource management and to lay the groundwork for the SWP.
100. The first phase of the SWP exercise was undertaken in 2010 and documented the status of the composition of staff and their respective strengths. In late 2012, following completion of the job audit exercise, Management undertook the second phase, which was forward-looking and had the overarching goal of ensuring that IFAD has the requisite staff, competencies and skills to deliver the Fund's commitments under IFAD9. The results-based budget exercise in 2012 used, for the first time, the SWP-determined roster of staff for each organizational unit as the sole platform for budgeting the staff costs component of the budget. The same processes were followed in 2013.
101. As a follow up to the job audit exercise and as a response to the consolidation and deepening of the reforms completed under IFAD8, IFAD has also developed a job titling and job family system for IFAD.
102. **Staff rules and implementing procedures.** IFAD revised and consolidated its HR rules and procedures into a more coherent and easily understood framework in 2012, taking into account best practices. Subsequent changes in HR procedures are now developed in full consultation with the staff and are clearly communicated and immediately incorporated into the web-based repository.
103. **Global staff survey.** IFAD carries out a global staff survey every two years, and a shorter staff engagement index survey in the intervening years. The 2012 survey, coming in the midst of the job audit and other HR reform initiatives, identified staff concerns with respect to, inter alia, career development and mobility. IFAD addressed these concerns collaboratively and transparently. In 2013, job mobility rose and nearly a third of the staff changed their role, function, division or duty station, or moved between agencies; in addition, nearly two thirds of IFAD's advertised vacancies were filled by internal candidates. A new management development programme was also launched to reinforce the people and career management skills of IFAD managers. The 2013 staff engagement index remained at the same high level measured in 2011 and higher than in the previous four years, and is at the target level set for 2015.
104. **Rewards and recognition framework.** IFAD has implemented a new rewards and recognition framework to encourage excellence. The framework reflects best practices for talent and rewards management and includes monetary and non-monetary rewards. It is among the most advanced and forward-looking frameworks of its kind in the United Nations Common System and was developed with the support and collaboration of the International Civil Service Commission.
105. **Performance management.** A revised IFAD competency framework has been implemented to strengthen the performance management process. The framework provides a better aligned, better structured and easier-to-use management tool that responds to the Fund's evolving performance needs.
106. **Gender competence and gender equality.** Under IFAD9, IFAD committed to developing and maintaining instruments and resources to promote gender competence and gender equality in its human resources management policies, and gender balance and equitable geographic distribution in its staffing. In response to

this commitment, and in coordination with IFAD's thematic group on gender, enhanced training opportunities have either been delivered or are under development to foster greater awareness of gender roles and relationships in successful rural development, and to encourage workplace recognition and appreciation of gender issues. For example, IFAD twice delivered a successful course on transformational leadership for women, with a one-day follow-up workshop, with the participation of the IFAD Senior Technical Adviser on Gender. An outcome of the training was that participants agreed to establish a cohort of women leaders and to work together to promote gender equality and women's empowerment within IFAD.

107. **Cooperation with the International Civil Service Commission.** In 2012, IFAD's cooperation with the International Civil Service Commission (ICSC), resulted in the development of a new General Service (GS) reduced secondary salary scale applicable to new staff recruited after 1 February 2013, better reflecting Rome market conditions. This is expected to have a significant impact on containing GS costs at IFAD and the RBAs generally in the medium to long term.²⁸ In 2013, in addition to implementing the new rewards and recognition framework with the ICSC's support, IFAD is actively participating with the ICSC in the system-wide review of the Common System compensation system. IFAD is represented in the working groups of the High-level Committee on Management and in the Human Resources Network. The review will be completed within the IFAD9 period.

C. Conclusions and prospects for 2014 and 2015

108. IFAD has responded to the commitments made under IFAD9 to increase its institutional effectiveness and efficiency. It has introduced management tools such as strategic workforce planning to use its resources optimally and contain or reduce costs. All organizational units have examined their business and administrative processes to identify possible efficiency gains. And in collaboration with the RBAs, significant savings and cost reductions have been achieved, particularly in the procurement of goods and services and in travel costs. IFAD is upgrading its ICT systems to further streamline business processes and achieve additional efficiency gains. It has revised its action plan to enhance IFAD's efficiency in response to the recommendations of the CLEE, in line with IFAD9 commitments. It has also submitted proposals to the Executive Board to reduce the costs associated with the operations of IFAD's governing bodies, many of which were approved by the Board, leading to considerable savings.
109. IFAD is also consolidating human resources reform and introducing new policies and practices. The job audit was completed and strategic workforce planning introduced as an annual exercise. A rewards and recognition framework has been rolled out; a new competency framework has been implemented to strengthen performance management; and much work has gone into strengthening gender competence and gender equality. IFAD has also strengthened its cooperation with ICSC in a number of strategic areas such as the review of the GS staff pay scale in Rome. This has resulted in a reduced pay scale for new staff that better reflects Rome market conditions.
110. Looking forward, IFAD anticipates that the combination of better cost accounting and control systems together with the planned ICT upgrades will enable it to achieve further efficiency gains. However, IFAD is aware of the challenges involved in creating systems that provide accurate cost accounting and establishing efficient platforms to serve the expanding global network of offices. Greater effort will also need to be made to encourage superior achievements by staff and address poor performance. IFAD is nonetheless confident that the efficiency initiatives under

²⁸ Salaries in the Professional and higher categories have followed ICSC recommendations and General Assembly decisions, and are currently frozen.

way, together with a further consolidation of HR reforms, will enable it to achieve all the institutional effectiveness and efficiency targets set for IFAD9.

V. Strengthening IFAD's financial capacity and management

111. The IFAD9 Report noted that the financial environment in which IFAD operates is characterized by strong and growing demand for smallholder agriculture and rural development financing; the emergence of relevant non-sovereign sources of financing; a difficult and uncertain global economic outlook for many traditional donors; and improving economic circumstances for several Member States.
112. In the light of these developments, the report called on IFAD to strengthen its financial management system through a series of complementary measures focused on strengthening the IFAD financial model and developing new forms of internal and external resource mobilization.
113. Specific IFAD9 commitments included: (i) deploying on 1 January 2013 an enhanced financial model based on a sustainable cash flow approach; (ii) submitting a proposal to the Executive Board on the advance commitment authority (ACA); (iii) submitting a proposal to the Executive Board on compensation for forgone principal arising from the DSF; (iv) increasing internal resources through a comprehensive review of IFAD's Lending Policies and Criteria in 2012 and soliciting payment of loan and contribution arrears; (v) encouraging non-Member States and groupings of states to contribute to and/or join the Fund; and (vi) exploring the scope for raising financing from other sources. IFAD's responses to these commitments are discussed in this section. It is preceded by a discussion on the steps Management has taken to strengthen the Financial Operations Department and budget management.

A. Organizational strengthening

114. One of the major organizational changes brought about by the Change and Reform Agenda was the creation of a separate Financial Operations Department (FOD) in 2011. The aim was to ensure that IFAD had the financial organization and capacity befitting an international financial institution (IFI). Following the creation of FOD, project financial management, previously within the remit of PMD, was transferred to FOD and placed under the Controller's responsibility to ensure the proper separation of fiduciary and operational responsibilities.
115. FOD has taken further steps to enhance financial management by creating a new Financial Planning and Analysis Unit (FPA). This unit reports directly to the Associate Vice-President, Financial Operations Department (AVP/FOD) and comprises the Asset Liability Management Unit (ALM) (which was previously part of the Treasury Services Division [TRE]) and a new financial modelling capability. The purpose of FPA is to:
 - (a) Bring ALM, which primarily evaluates the compliance and performance of TRE, directly under the AVP/FOD to ensure its independence from TRE; and
 - (b) Create a financial forecasting and decision analysis capability to support the AVP/FOD in ensuring that the impacts of IFAD's financial modalities are fully taken into account in IFAD's resource allocation decisions, ARM efforts, and other strategic decision-making processes.
116. The budget unit was also significantly strengthened to enable it to undertake more intensive budget preparation processes and the management of the budget, including a more rigorous mid-year budget review. As the corporate budget function was understaffed, Management decided, in 2013, to establish a Budget

and Organizational Development Unit (BOD) with a Director reporting to the Vice-President of IFAD.²⁹ This new unit will ensure the link between budget, the annual SWP exercise and organizational development. The unit will also be playing a leading role in the review of business processes, and in streamlining such processes, where possible, to achieve further efficiency gains.

B. IFAD's financial model

117. **The sustainable cash flow approach (SCF).** During the IFAD9 Consultation, IFAD developed and presented to the Consultation a financial model based on a sustainable cash flow approach. The model has been successfully audited by the IFAD external auditors and related procedures have been documented. In line with the IFAD9 commitment, the SCF came into force as of 1 January 2013. The IFAD model is in line with those adopted by other IFIs and also with best practice in the private sector.
118. **IFAD's financial structure: sources and use of funds.** In figures 3 and 4, the cash flow projections for IFAD are presented using the sustainable cash flow financial model. Figure 3 displays the sources and use of IFAD9 funds, illustrating that IFAD will need additional resources during the IFAD9 period in order to deliver the target PoLG for 2013-2015 of US\$3 billion. The shortfall in resources is due to: (i) lower pledges received to date compared to the US\$1.5 billion target; and (ii) the earmarking of some pledges as available for grants only. Both of these factors result in reduced loan reflows, and the combined effect is a shortfall in the size of PoLG that can be delivered by IFAD in IFAD9 compared to previous projections. However, IFAD can make up the shortfalls through additional IFAD9 pledges, faster encashment of pledges, supplementary funding, or borrowing.
119. Figure 4 shows the projected cash flows for IFAD under the SCF approach. The green bars represent cash inflows. The pale green bars are the replenishment contributions and these are assumed to grow only with inflation (i.e. zero per cent real growth). The mid-green bars are loan reflows (principal and interest) and the dark green bars represent investment income. The grey bars represent cash outflows, mainly to support the PoLG, but also to pay for unfunded costs related to the Heavily Indebted Poor Countries Debt Initiative and administration. The yellow bars are the net flows; it can be seen that these are negative from 2010 to 2020 and then become positive.
120. This model functions by assuming that both the replenishments and the PoLG, after the current IFAD9, have zero per cent real growth. It then maximizes the current PoLG subject to the constraint that IFAD's net liquidity (black line) never dips below the minimum liquidity requirement (red line). This methodology guarantees that, at each replenishment, the PoLG is as large as it can be while remaining repeatable in future replenishments; i.e. that it does not over-consume IFAD's internal resources at the expense of the future.³⁰

²⁹ This upgrade was also recommended by the CLEE.

³⁰ As is well known, all financial modelling is driven by many assumptions that can be wrong. To mitigate such a possibility, the model's historical data are adjusted to the actuals at each replenishment and the assumptions are reviewed to give the most probable forecast based on the information known at the time.

Figure 3
Comparison of the Ninth Replenishment inflows and outflows

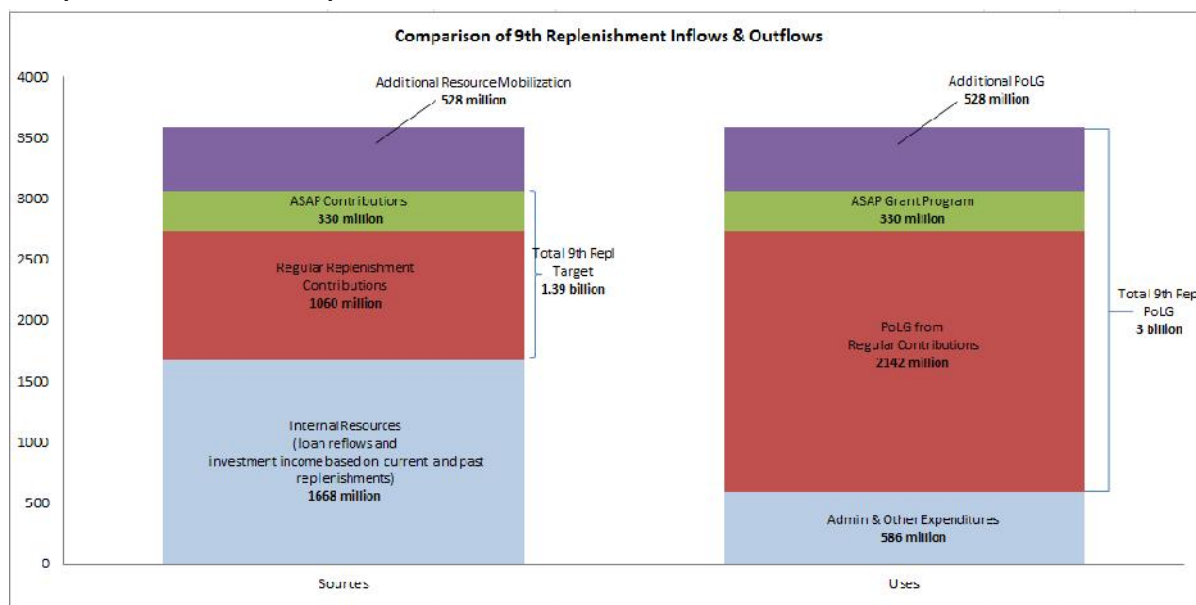
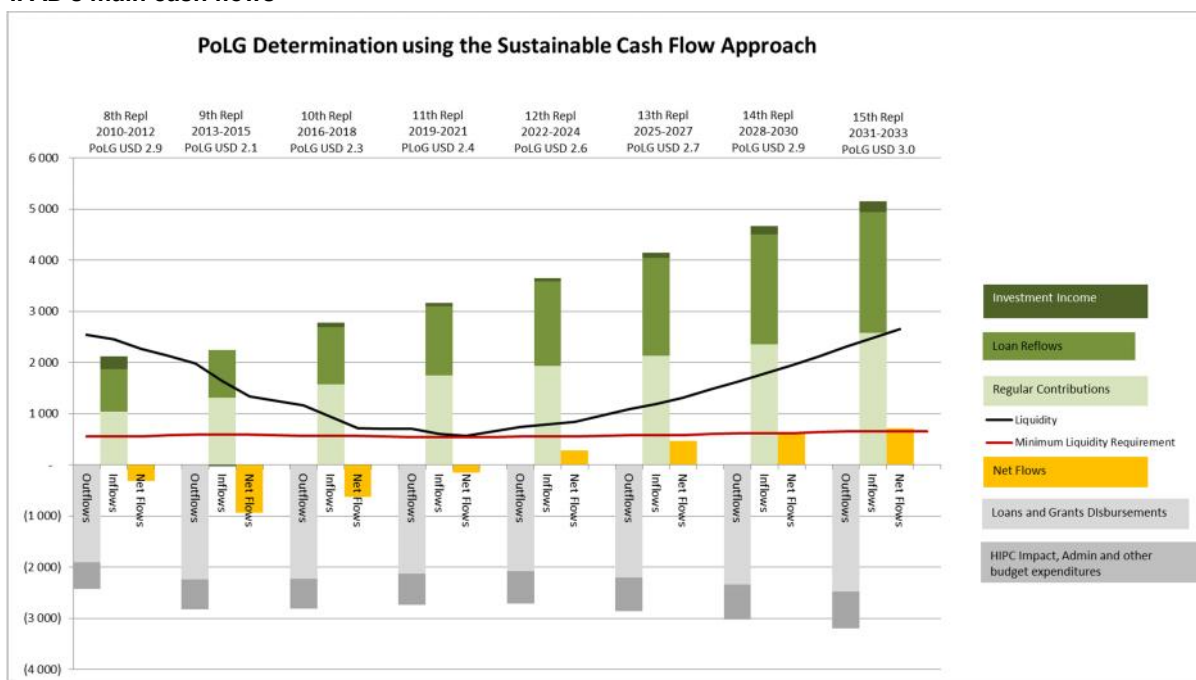


Figure 4
IFAD’s main cash flows



121. **Advance commitment authority.** Resolution 166/XXXV on the Ninth Replenishment of IFAD’s Resources stated that “Effective 1 January 2013, when the Executive Board authorizes advance commitment funds to be derived from operations pursuant to its power under article 7.2(b) of the Agreement, the Fund’s commitment capacity shall be assessed and determined in accordance with the sustainable cash flow methodology by matching financial obligations (cash outflows) arising from commitments against current resources and projected cash inflows.” In accordance with the IFAD9 resolution, procedures and definitions for determining resources available for commitment based on sustainable cash flow were presented for review by the Audit Committee at its meeting in March 2013 and by the Executive Board at its 108th session in April 2013 (EB 2013/108/R.20). The first resources available for commitment under a sustainable cash flow approach were approved by the Board in April 2013 (EB 2013/108/R.7/Rev.1). This

is a major change in the composition and determination of committable resources with respect of the practice under previous replenishments.

122. **Debt Sustainability Framework.** The IFAD9 Consultation requested IFAD to present a proposal to the Executive Board on how responsibility for compensation for forgone principal arising from adoption of the DSF will be managed, starting in IFAD10. Consequently, a DSF methodology was developed, and the proposal was reviewed by the Audit Committee in November 2013 prior to submission to the Executive Board in December 2013. The Board reviewed the document, including the proposed contribution modalities and relevant recommendations set forth therein, and endorsed its submission to the IFAD10 Consultation for consideration.

C. Internal resource mobilization

123. **Prepayments, loan and contribution arrears.** The IFAD9 Consultation requested IFAD to enhance its internal resources by soliciting payment of loan and contribution arrears, and exploring the possibility of loan prepayments with interested borrowing Member States. Loan prepayment has been explored with a number of borrowers, although it was determined that the advantage to IFAD would not be very significant in terms of increasing internal resources. Prompt follow-up has been undertaken on arrears owed to IFAD. Outstanding arrears have declined in recent years, due in part to active debt-rescheduling with three borrowers. Contributions from six Member States are currently overdue beyond 24 months. Negotiations to settle these contribution arrears succeeded with two Member States, leading to one successful agreement submitted for signature and one mutual agreement reached, which will be implemented as soon as national context permits. IFAD will continue to work closely with its Member States to settle contribution arrears.
124. **Comprehensive revision of IFAD's Lending Policies and Criteria.** In order to increase the internal resources available to support the PoLG in the IFAD9 period, the IFAD9 Consultation requested IFAD to carry out a comprehensive review of its lending terms and to align those terms and conditions as much as possible with those of the International Development Association and the International Bank for Reconstruction and Development. This comprehensive review was undertaken and a proposal was presented to the Executive Board in December 2012, which was approved by the Governing Council in February 2013 (see "Policies and Criteria for IFAD Financing").

D. New sovereign donors and alternative financing modalities

125. **New membership and sovereign donors.** In line with the IFAD9 commitment, IFAD has actively encouraged non-Member States and groupings of states to contribute to and/or join the Fund. Four new Member States joined IFAD during the IFAD8 period, from 2010 to 2012: (i) Republic of Uzbekistan (2011, List C); (ii) Republic of Hungary (2011, List A); (iii) Republic of Estonia (2012, List A); and (iv) Republic of South Sudan (2012, List C). To date, three new Member States have joined during IFAD9: (i) Republic of Nauru (2013, List C); (ii) Tuvalu (2013, List C); and (iii) Republic of Vanuatu, (2013, List C).

Table 8

Contributions made by Member States joining during IFAD8

(United States dollars)

<i>Member State</i>	<i>Initial contribution</i>	<i>IFAD8</i>	<i>IFAD9</i>
Uzbekistan	—	10 000	5 000
Hungary	—	—	100 000
Estonia	59 495	—	—
South Sudan	—	—	—

126. Looking forward, IFAD is in dialogue with other non-members including Australia, Belarus, the Federated States of Micronesia, Montenegro, Palau, the Russian Federation, Serbia and Ukraine. Among these, Australia's re-accession to IFAD is pending greater clarity on this issue from the new Government. Dialogue with the Russian Federation is well advanced and its accession to IFAD is expected to be approved by the Governing Council in February 2014.
127. IFAD has also improved its relations with a number of Member States whose changing development cooperation priorities are now aligned more closely with IFAD's mission and mandate. New Zealand, for example, has signalled its intention to re-engage with IFAD and subsequently pledged US\$1.2 million to IFAD9. The Republic of Korea joined those donors who provide non-core resources for specific development objectives and will contribute US\$1.8 million in supplementary funds towards enhancing the use of ICT in agricultural and rural development programmes.³¹ In addition, IFAD is in dialogue with the Republic of Korea to enhance its donor engagement in agricultural development as a member of the Organisation for Economic Co-operation and Development (OECD).
128. **Additional resource mobilization.** In response to the IFAD9 commitments, IFAD is undertaking a number of measures to mobilize additional resources. These include the ARM initiative, inviting non-Member States to join IFAD, mobilizing additional supplementary funds and establishing contacts with foundations and the private sector to explore possibilities of greater cooperation.
129. The ARM initiative was launched in 2012, with IFAD Management contacting a number of Member States – Canada, China, Finland, Germany, the Netherlands, Sweden, the United Arab Emirates and the United States – to explore possible additional funding. A dialogue with the European Investment Bank has been initiated as well. A benchmarking exercise was undertaken to learn from the experiences of other IFIs in diversifying resource mobilization instruments and mobilizing additional resources. On two occasions, the Executive Board's guidance was sought on the direction the ARM initiative should take. Furthermore, IFAD is developing its capacity to assess the feasibility of ARM options including: (a) supplementary funds; (b) Islamic finance; (c) debt funding; and (d) private-sector funding through a comprehensive risk analysis and cost analysis of debt funding and a study on the opportunities for IFAD to mobilize resources through Islamic finance structures.
130. With one potential partner, discussions have gone beyond initial explorations. The Development Bank of Germany (KfW) and IFAD are discussing mutually beneficial financial terms and conditions for debt funding. In December 2013, the Executive Board agreed that Management would continue to negotiate with KfW to conclude a debt funding agreement that would allow IFAD to on-lend the funds obtained using the current lending terms. Management will revert to the Board in April 2014 with a final agreement for consideration. Through structured financial modelling, IFAD now has a clear picture of what is and what is not possible, and of the implications of debt funding for IFAD's financial framework.

³¹ Supplementary fund arrangement (agreement) signed 18 October 2012.

131. The ARM initiative has concluded that IFAD needs to rethink its resource mobilization strategy beyond the traditional replenishment exercise, and diversify its resource mobilization instruments. IFAD has the capacity and flexibility to play an expanded role in responding to emerging development challenges and priorities through higher levels of financing. Moving forward, there appear to be three levels of possible resource mobilization for IFAD. The first is funding through replenishments; the second is to supplement the replenishment with earmarked windows and trust funds for specific purposes such as fragile states or climate change; the third is to supplement the replenishment with sovereign borrowing as part of IFAD's financing framework. These strategic options will be submitted for consideration to the IFAD10 Consultation as part of the analysis of IFAD's long-term financial sustainability.
132. **Supplementary funds.** In addition to the above efforts, IFAD has continued to focus on mobilizing supplementary funds since the start of the IFAD9 period. A total of US\$115 million had been mobilized as at the end of 2013. Of this, more than US\$100 million was contributed by the European Commission, representing the largest donor of supplementary funds to IFAD. Bilateral donors include France, Germany, Italy and Switzerland. During IFAD8, the Fund mobilized approximately US\$205 million in supplementary funds. Bilateral donors included Denmark, Finland, France, Italy, Luxembourg, the Republic of Korea, Sweden and Switzerland. Multilateral donors included the European Commission, GAFSP and OFID.
133. These funds are being used to finance or cofinance projects focusing on agricultural productivity, market access, capacity-building of farmers' organizations, rural and agricultural entrepreneurship targeting rural youth and women, food security of vulnerable rural groups, migrant remittances, infrastructure and agricultural resource management.
134. **Private sector and foundations.** Philanthropic foundations are being explored as a viable new stream of resources for the Fund, mainly, at this stage, through supplementary funds and contributions to IFAD's earmarked trust funds. A formal partnership structure at both the Management and the operational level was created with the Bill & Melinda Gates Foundation (B&MGF), the largest source of private philanthropic funding to agriculture. Early lessons point to interest and commitment by the Foundation in supporting IFAD's project outcomes at the country level. However, direct co-design or cofinancing of projects has been limited to several global agricultural research programmes. IFAD and B&MGF will continue to develop their partnership in 2014. Conversations with other large foundations have revealed interest in cofinancing with IFAD.
135. The Partnership and Resource Mobilization Office will undertake a broader strategic exercise in 2014 to survey key foundations aligned with IFAD issues to assess the real possibility and viability of significant foundation support to IFAD. The exercise will also identify the structure of potential funds, which may inform any expected governance or structural issues that would require consideration by IFAD if a more robust pursuit of private foundation contributions is to be prioritized.

E. Conclusion and prospects for 2014 and 2015

136. IFAD has responded to the IFAD9 commitments on enhancing its financial capacity and management. It has taken a number of initiatives to strengthen FOD and the budget unit. It has implemented the new financial model using the sustainable cash flow approach, which has now become the framework for determining the advance commitment capacity of the Fund. Management has also submitted a proposal to the Executive Board for compensation for forgone principal arising from the adoption of the DSF. In addition, IFAD is exploring possibilities for greater internal resource mobilization through prepayments and follow up on loan and contribution arrears. In addition, revised lending policies and criteria – the Policies and Criteria

for IFAD Financing – which are aligned with the terms and conditions of IDA have come into force.

137. IFAD has engaged with a number of non-Member States to encourage them to join IFAD and to contribute financially to its work. A number of new countries have joined the Fund with good prospects for others to follow suit. In addition, IFAD has launched the ARM initiative to look into other resource mobilization possibilities, including sovereign debt funding and cofinancing or parallel financing with private-sector entities and foundations.
138. Mobilizing higher amounts of resources will be critical for the successful delivery of IFAD's programme of work. Laying the required groundwork for such resource mobilization has, however, demonstrated clearly the difficult challenges involved. Nonetheless, IFAD is keenly aware of the strategic importance of ARM and will therefore be giving it high priority and support in the remaining years of IFAD9.

VI. Enhancing IFAD's results management system and results to date

139. The IFAD9 consultations adopted a revised RMF for 2013-2015 that introduced a series of improvements to strengthen and better demonstrate the outcomes achieved by the Fund. The revised framework places greater emphasis on: (i) in-depth assessment of development impact; (ii) better measurement of performance in key areas such as nutrition, climate change, gender equality and women's empowerment, partnerships, project-level M&E and operations in fragile states; (iii) a sharpened focus on IFAD's scaling-up objectives; and (iv) a more comprehensive assessment of the Fund's efficiency. Towards this end, the following new indicators of impact were included: (i) household asset ownership index; (ii) length of hungry season; (iii) child nutrition; and (iv) number of people moved out of poverty.
140. The IFAD9 Consultation called on IFAD to strengthen its results management system by undertaking the following actions: (i) **ensuring compliance** with the requirement for projects to carry out a baseline survey by the end of their first year of implementation; (ii) beginning work on **impact evaluation** by presenting an information paper to the Board on IFAD's methodology, actively pursuing partnerships with institutions specialized in impact evaluation, and conducting and reporting on approximately 30 impact surveys over the IFAD9 period, of which three to six should use randomized control trials; and (iii) **enhanced reporting** on impact outcomes and on performance against the 2013-2015 indicators and targets through the RIDE.

A. Project baseline surveys

141. In recent years, IFAD has given greater attention to ensuring that the projects it supports comply with the requirement to undertake a baseline survey by the end of their first year of implementation. This was to be done through the systematic engagement of M&E experts during design and supervision missions. Much progress has been made in this regard and in other M&E-related work.
142. Table 9 below summarizes progress against M&E indicators. As at the end of the first year of IFAD9, IFAD had surpassed the 2015 target in undertaking baseline surveys; it is on track in following up the baseline surveys with completion impact surveys; and it is close to the target in terms of the quality of project completion reports.

Table 9
Monitoring and evaluation

Indicators	Baseline year	Baseline value (%)	Achievement for 2013	Target for 2015 (%)
4.5.4 Percentage of projects with RIMS or equivalent baseline surveys (cumulative percentage)	Mid-2011	23	64	40
4.5.5 Percentage of projects submitting RIMS impact survey	Mid-2011	70	78	95
4.5.6 PCR quality (percentage rated 4 or better)	2010-2011	80	88	90

Source: Report on IFAD's Development Effectiveness (EB 2013/110/R.12)

B. Impact evaluation

143. Work on impact evaluation has also begun. In line with IFAD9 commitments, a methodology paper on impact evaluation was submitted to the Executive Board in December 2012. In 2013, data available for each IFAD project under implementation were assessed and a full inventory analysis report prepared. This has enabled the identification of projects to be submitted to rigorous ex post impact evaluation
144. Actual impact evaluation work began at the end of 2013 and will be completed for 30 projects by the end of IFAD9 in 2015. Six projects that will undergo randomized control trials, within the context of the 3IE Agricultural Innovation Thematic Window (supported with financing of US\$10 million from DFID and the B&MGF), have been identified and matched with internationally renowned research institutions. These institutions - the International Food Policy Research Institute (IFPRI), Wageningen University and Research Centre, the University of California, etc. - will conduct the impact studies. IFAD has also produced impact evaluation guidelines that focus on integrating the IFAD M&E system within broader national monitoring and evaluation systems. In addition, the Strategy and Knowledge Management Department (SKM) has provided advice to CPMs on M&E survey designs and has supported the design of the randomized control trials in ASAP-supported projects. The results of an interesting case study of the impact of IFAD projects in China are presented in box 6 below.

Box 6

Impact evaluation: IFAD's country programme impact on poverty in China

A 2011 econometric analysis of 12 projects in 13 provinces of China was undertaken under the auspices of China's Ministry of Finance. The projects were completed in 2006. The study found that 1.5 million households (6.4 million people) saw their income increase on average by 120 per cent (with a range from 34 per cent to 520 per cent) in IFAD project areas. Per capita net incomes increased from RMB 299 (US\$49) to RMB 670 (US\$109). On average, per capita net incomes increased by 124 per cent, compared to per capita income increases in non-project areas of 48 per cent. Average grain production (food security proxy) increased by 65 per cent. Women's net income increased by 63 per cent and their disease incidence and illiteracy rate decreased respectively by 26 per cent and 28 per cent, which led to notable empowerment of women and women leaders. In five of the affected counties alone, 3,100 ha of farmland and 2,270 ha of forest land benefited from land improvement.

These impacts resulted from village infrastructure development (rural roads, drinking water, village improvement, electrification and telecommunications), health services, rural enterprise development, agro-technological extension systems and rural finance all introduced under IFAD-financed projects.

The results of the projects have influenced China's poverty alleviation policies, more particularly: targeting policies, project management approaches and M&E, and rural finance policy.

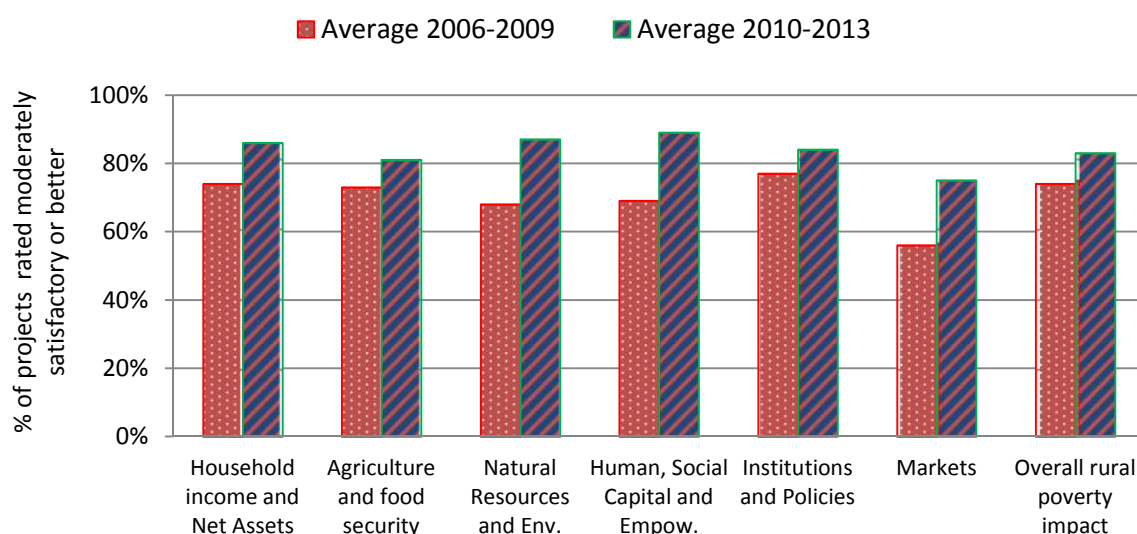
C. Results to date: contributions to development outcomes and impact

145. As noted above, one of the IFAD9 commitments is **enhanced reporting** through the RIDE on impact outcomes against the 2013-2015 RMF indicators. The 2013

RIDE reports on the results and outputs of 253 ongoing projects that were under implementation in 2012-2013.³² It also reports on progress against the targets for institutional efficiency. The main findings of the report in terms of outcomes and impact are summarized below.

146. **Contributions to development outcomes and impact.** As shown in figure 5, the last four years (2010-2013) have seen dramatic improvements in terms of **rural poverty impact** when compared to the previous four (2006-2009). Improvements are particularly pronounced in the areas of human and social capital and empowerment; markets; natural resources and environment; and household income and net assets. Performance with regard to food security and agricultural productivity has also improved. Of particular interest is the marked improvement in access to markets, which reflects the enhanced effort by IFAD to link smallholders with markets.

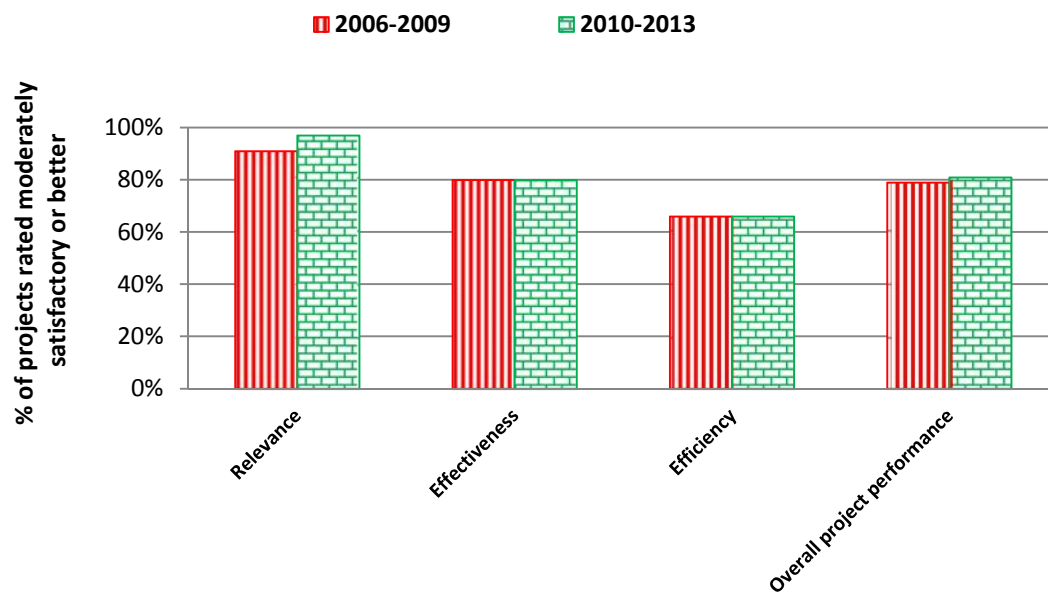
Figure 5
Recent trends in rural poverty impact



147. Results are mixed with regard to project performance on other indicators of development impact – **relevance, effectiveness, efficiency and overall project impact**. The relevance of projects remains high and shows some improvement; project effectiveness and overall project impact have been rated lower but remain stable; efficiency outcomes remain relatively low but stable. As noted above, project efficiency at completion has been the major problem for IFAD-financed projects. The Fund's efforts to resolve this issue are discussed above in section III.

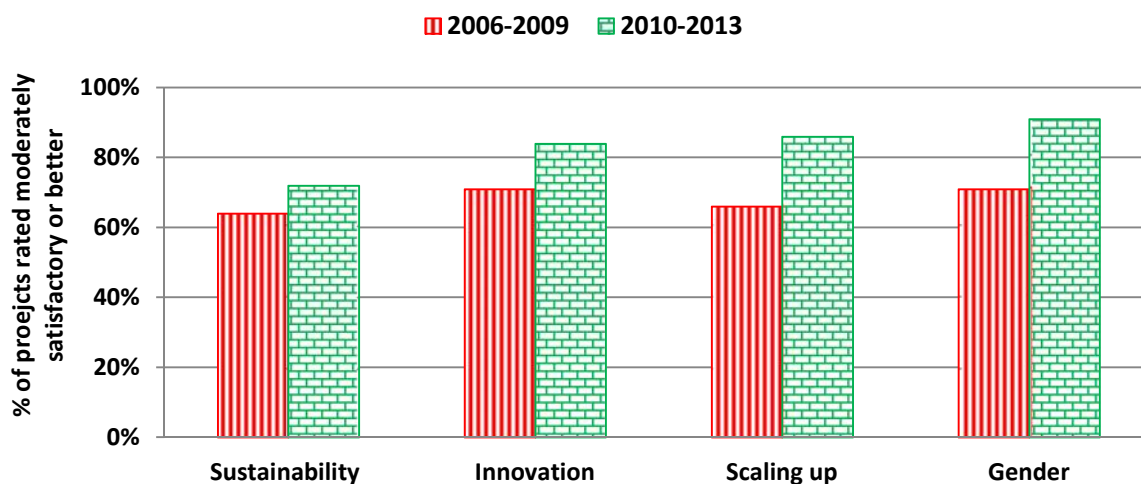
³² Report on IFAD's Development Effectiveness (EB 2013/110/R.12)

Figure 6
Project performance



148. Project performance in terms of **gender, innovation, scaling-up and sustainability** has registered major improvements. More specifically, a dramatic leap forward has been made in terms of both scaling up and innovation. Performance on gender has experienced a similar improvement. Progress has also been made on sustainability and ownership.

Figure 7
Recent trends in sustainability, innovation, scaling up and gender



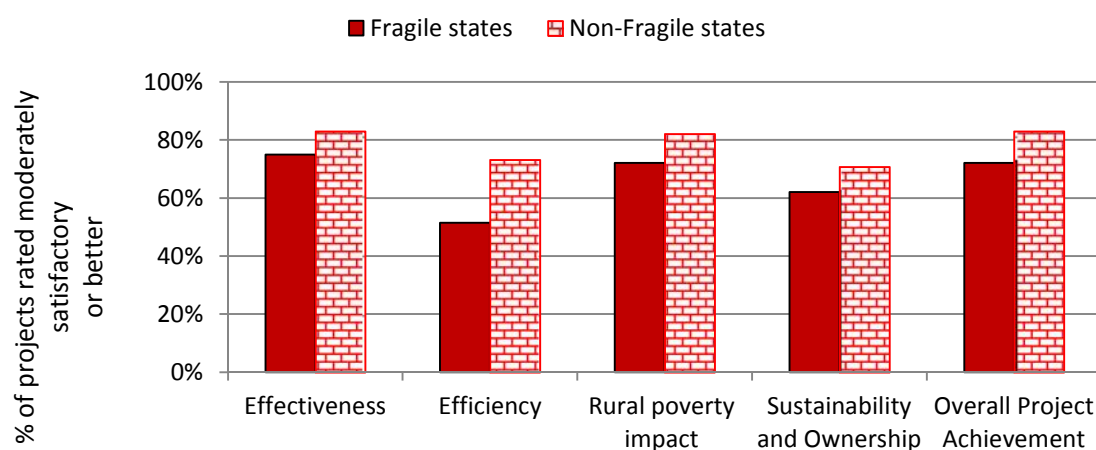
149. **Project performance against 2015 targets.** When compared to the targets set for 2015 by the IFAD9 Consultation, the actual results for 2013 are higher for relevance and gender equity. For rural poverty impact, innovation, scaling-up, and environmental and natural resource management, actual results are above the baseline figures and can be considered on track towards 2015 targets. With respect to sustainability, long-term trends are positive and the current level of achievement is fairly close to the target set for 2015. Effectiveness on the other hand is at par with the baseline figures. Project efficiency and government performance, in contrast, are weaker relative to both the baseline figures and targets. In sum, while most indicators show improvements over baseline figures, pointing to an

upward trend in performance, project economic efficiency and government performance need more effort to meet targets for 2015.

150. **Performance in fragile states.** The performance data collected over the last eight years show that the fragility of a country is a key issue in determining portfolio performance. Fragile states underperform in all key performance indicators, including project effectiveness, efficiency, rural poverty impact, sustainability and ownership, and overall project achievement (see figure 8).

Figure 8

Performance differentials between fragile and non-fragile states, 2006-2013



151. The weaker performance of fragile states reflects, to a significant extent, the relatively weaker performance of the governments in these countries. As shown in table 10 below, there is a distinct difference between government performance in fragile and in non-fragile states. Moreover, government performance in fragile states has remained low and has not improved over time. As noted above, IFAD plans to address capacity issues in fragile states through a grant to FAO and the establishment of a multi-donor fund for capacity-building in fragile states.

Table 10

Government performance in fragile and non-fragile states: Percentage of projects rated satisfactory, 2006-2009 and 2010-2013

<i>Government</i>	<i>Satisfactory performance 2006-2009 (percentage)</i>	<i>Satisfactory performance 2010-2013 (percentage)</i>
Fragile states	55	54
Non-fragile states	76	81
Difference in percentage points	-22	-26

D. Results to date: contribution to country programmes and project outputs

152. Table 11 below shows outputs resulting from IFAD-financed projects compared to the baseline established in 2010. At the aggregate level, IFAD-supported projects are now reaching 78.7 million people – about 33 per cent higher than reported in 2012 and about 87 per cent of the target of 90 million set for 2015. The total financial commitment for the projects under implementation is about US\$12.3 billion, of which IFAD's share is US\$5.4 billion. Other contributors include domestic financial institutions and governments (US\$3.9 billion, 32 per cent) and international cofinanciers (US\$2.9 billion, 24 per cent).

Table 11
IFAD's contribution to country programme and project outputs

<i>Indicators</i>	<i>Baseline value</i>	<i>Achievements for 2012</i>
Natural resource management		
Common property resource land under improved management practices (ha)	5.5 million	3.2 million
Area under constructed/rehabilitated irrigation schemes (ha)	373 thousand	265 thousand
Agricultural technologies		
People trained in crop production practices/technologies	4.51 million	4.46 million
Male:female ratio	65:35	55:45
People trained in livestock production practices/technologies	1.2 million	2.61 million
Male:female ratio (percentage)	44:56	56:44
Rural financial services		
Voluntary savers (with male: female ratio)	7.86 million	5.48 million
Male: female ratio	47:53	29:71
Active borrowers (along with male : female ratio)	2.70 million	2.46 million
Male:female ratio	43:57	26:74
Value of savings mobilized - US\$ million (new)	US\$495 million	US\$262 million
Value of gross loan portfolio (new)	US\$338 million	US\$338 million
Marketing		
Roads constructed/rehabilitated (km)	17.6 thousand	15.3 thousand
Marketing groups formed/strengthened	13.2 thousand	19.7 thousand
Microenterprise		
People trained in business and entrepreneurship	716 thousand	1, 513 thousand
Male: female ratio (percentage)	39:61	16:84
Enterprises accessing facilitated non-financial services	57 thousand	110 thousand
Policies and institutions		
People trained in community management topics	2.13 million	2.66 million
Male:female ratio (percentage)	33:67	16:84
Village/community action plans prepared		
People receiving services from IFAD-supported projects (number) [*]	28 thousand	37 thousand
	59.1 million (target 2015: 90 million)	78.7 million
Male:female ratio (percentage)	52:48	51:49

* All baseline values are updated to 2010, except for people receiving services, which pertains to 2011. These figures pertain to the currently active portfolio, not cumulative.
Source: RIMS, office records

153. The share of women beneficiaries is on the increase, in part explained by their disproportionately larger share among rural finance beneficiaries. This trend fits well with IFAD's policies on gender and targeting. A pronounced increase in the number of people benefiting from microenterprise-related services, marketing, and community institution-building also can be discerned as an aggregate trend. These trends reflect the increasing share of value chain projects in the portfolio and the emphasis being laid on adopting a more inclusive approach to targeting.

E. Results to date: institutional effectiveness and efficiency

154. Table 12 presents results for indicators of institutional effectiveness and efficiency. The results to date are very encouraging. A remarkable 93 per cent of the IFAD9 pledge target has been reached (US\$1.39 billion out of US\$1.5 billion). However, as noted above, contributions beyond the pledge target will be required to reach the PoLG commitment target of US\$3 billion in the IFAD9 period.³³
155. The indicators on human resources management are also positive. Staff engagement is already at the 2015 target; the time taken to fill professional vacancies has declined from 144 day to 107 days, just shy of the target of 100 days. However, more effort will have to be made to reach the target percentage of women in P-5 posts and above, which in 2013 only increased to 29 per cent, from the baseline figure of 28 per cent. The indicator for risk management shows strong improvement.

³³ As explained above, this is because a sizable share of contributions have been received for ASAP, which operates on a grant basis and therefore does not generate future reflows to IFAD. In response, IFAD is strengthening its donor outreach and innovative resource mobilization models are being explored (see section V above).

156. The efficiency indicators for IFAD also show considerable progress. The actuals-based ex post efficiency indicators (5.4.5 – 5.4.8) all show strong improvement with all but one of the indicators having already reached the 2015 targets. This is a reflection of success in increasing PoLG commitments, mobilizing additional resources, and, in recent years, implementing efficiency measures-including measures to control staff costs.
157. The progress on budget-based ex ante efficiency indicators (5.4.1 – 5.4.4) is relatively modest, mainly due to increases in planned expenditures for 2014 to implement the IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency.³⁴ A significant portion of these costs is related to ICT activities and falls into results cluster 3. Although there was a slightly lower share of total planned expenditures in cluster 1 in 2014 compared to 2013, the absolute spend in cluster 1 planned for 2014 actually increases by 3 per cent. The shares of planned expenditures in clusters 2 and 4 move in a positive direction vis-à-vis RMF targets for 2015. The ratio of budgeted staff positions in IFAD country offices has also improved slightly.

Table 12
Level 5 RMF 2013-2015
Institutional effectiveness and efficiency

<i>Indicator</i>	<i>RMF baseline</i>	<i>Results 2013</i>	<i>Target 2015</i>
5.1 Improved resource mobilization and management			
5.1.1 Percentage achieved of replenishment pledges	NA	93	100
5.2 Improved human resource management			
5.2.1 Staff engagement index: percentage of staff positively engaged in IFAD objectives	70	75	75
5.2.2 Percentage of workforce from Lists B and C Member States	40	40	Tracked
5.2.3 Percentage of women in P-5 posts and above	28	29	35
5.2.4 Time to fill professional vacancies (days)	144	107	100
5.3 Improved risk management			
5.3.1 Number of actions overdue on high-priority internal audit recommendations	21	3	15
5.4 Improved administrative efficiency			
5.4.1 Ratio of administrative budget to the planned PoLG	14.1	14.1	Tracked
5.4.2 Share of budget allocations to: (baseline 2011)*			
Cluster 1	62	60.0	65
Cluster 2	7	8.4	9
Cluster 3	23	25.6	20
Cluster 4	8	6.0	6
5.4.3 Ratio of budgeted staff positions to total budgeted positions in:			
Cluster 1	57	58.1	61
Cluster 2	7	9	9
Cluster 3	25	26.3	22
Cluster 4	11	6.6	8
5.4.4 Ratio of budgeted staff positions in IFAD country offices to budgeted staff in country programme divisions	38	39.3	45
5.4.5 Ratio of actual administrative expenditures (including expenditures financed by management fees) to the IFAD-funded annual PoLG augmented by the value of the programmes and projects managed by IFAD but funded by other agencies	14.7	12.4	12.5
5.4.6 Ratio of actual administrative expenditures (including expenditures financed by management fees) less actual expenditures on "technical support" to developing Member States to the integrated programme of work	12.5	10.6	10.6
5.4.7 Ratio of actual administrative expenditures (including expenditure financed by management fees) to annual disbursements	22.1	19.9	18.8
5.4.8 Ratio of actual costs of General Service staff to total staff costs	30	25	25

*The cluster definitions are as follows: cluster 1: country programme development and implementation; cluster 2: high-level policy dialogue, resource mobilization, strategic communication; cluster 3: corporate management, reform and administration; and cluster 4: support to members' governance activities.

Source: Office records.

³⁴ Document EB 2013/109/R.12

F. Conclusions

158. IFAD has responded to the IFAD9 commitments to enhance its results management system. Greater attention is being paid to ensuring that projects comply with conducting **baseline surveys** by the end of the first year of implementation. Work on **impact evaluation** has also begun, in line with specific IFAD9 stipulations, although IFAD is keenly aware of the methodological challenges involved in carrying out credible impact evaluation studies. Also in line with commitments, the 2013 edition of the RIDE began **enhanced reporting** on the revised RMF for 2013-2015.
159. The data in the 2013 RIDE point to very encouraging progress with respect to IFAD's contributions to development outcomes and impact. At the aggregate level, IFAD-supported projects reached an estimated 78.7 million people in 2013, half of them women, which is well on the way to the 90 million target. Most indicators of impact are also very positive. In terms of project performance, progress on most indicators is encouraging. However, it is evident that more effort will need to be made to improve project efficiency and sustainability. As there is also a large disparity in performance between fragile and non-fragile states, it is clear that IFAD will need to step up its support to fragile states as noted above.
160. The results to date for the indicators on institutional efficiency are also very encouraging: 93 per cent of the IFAD9 pledge target has been reached; most of the HR management indicators are on track; there has been significant improvement in risk management; and all but one of the actuals-based efficiency indicators have reached their 2015 targets.
161. The progress to date is a strong indicator that IFAD will meet most of its 2015 RMF targets for development impact, operational effectiveness and institutional efficiency. Despite the positive trends however, IFAD does not underestimate the challenges involved in meeting its single most important development goal – that of helping lift 80 million people out of poverty.

VII. Conclusions and prospects for 2014 and 2015

162. Taken as a whole, Management believes that a solid start has been made in tackling all 56 of the IFAD9 commitments. Significantly, only two commitments – strengthening national M&E systems and ensuring simplicity of objectives and activities in fragile states – are believed not to be on track (see annex I).
163. As the above review makes clear, Management is keenly aware that initiating actions to fulfil the IFAD9 commitments is not equivalent to resolving the organizational and developmental challenges the Fund faces. Indeed, IFAD expects to encounter major implementation hurdles in the next two years in key IFAD9 commitment areas such as aid effectiveness, raising the efficiency and sustainability of programmes and projects, support to fragile states, strengthening national M&E systems, raising further institutional efficiency, and undertaking credible impact evaluation studies.
164. Yet, as the results for 2013 clearly show when measured against the 2015 RMF indicators and goals, good headway is being made in improving development impact, raising operational effectiveness, enhancing institutional efficiency, and strengthening financial management. With the support of its Members, IFAD is confident that it will not only surmount the challenges of the remaining two years of IFAD9, but will also achieve its core goal – that of helping lift 80 million rural people out of poverty.

IFAD9 commitment report and status to date

This report provides an account of progress in implementing IFAD9 commitments as of the end of 2013. Progress against these commitments is monitored quarterly by Management to identify and mitigate implementation issues. Overall implementation status is positive. Fifty-four of the 56 commitments are reported to be on track with some having minor implementation issues that are being addressed by the responsible departments. Two commitments, in the operational effectiveness area, face implementation challenges, which are being addressed.

Table 1
Summary status of IFAD9 commitment implementation

Areas	Total deliverables	On track (Green)	Minor issues (Yellow)	Major issues (Red)
Increasing IFAD's operational effectiveness	32	14 (44%)	16 (50%)	2 (6%)
Increasing IFAD's institutional effectiveness and efficiency	10	4 (40%)	5.6 (60%)	0
Strengthening IFAD's financial capacity and management	7	6 (86%)	1(14%)	0
Enhancing IFAD's results management system	7	6 (86%)	1(14%)	0
Total (percentage of total)	56	30 (54%)	24 (43%)	2 (3%)

Table 2
Detailed report on implementation of IFAD9 commitments

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
1. Increasing IFAD's operational effectiveness						
Aid effectiveness	1. Strengthen country leadership and ownership.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR - Busan commitments	Yellow	COSOP preparation and country programme management teams (CPMTs) include members from the country concerned (government and non-government). Governments are increasingly participating in supervision missions, and are taking responsibility for project completion reports. Issues arise in fragile states, primarily due to weak institutional capacity.
	2. Strengthen, and where feasible, increase reliance on country systems and implementation structures.	Overall: PMD Implementation: PMD, CFS directors	Ongoing	- RIDE annually - IFAD9 MTR - Busan commitments	Green	IFAD projects are all run by country institutions, largely government.
	3. Raise the level of IFAD technical cooperation implemented through coordinated programmes.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR - Busan commitments	Green	Programmes and projects are now coordinated through cofinancing agreements. Over 60 per cent of IFAD-financed projects are cofinanced with other donors, and all projects now have government contributions. Increasingly, these projects are part of larger government-inspired agricultural programmes.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	4. Strengthen country programme development, monitoring and management processes to ensure systematic attention to scaling up, broader partnership-building, more rigorous policy analysis, and active engagement in national policy dialogue on agriculture and rural development.	Overall: PMD Implementation: PMD, SPD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Capacity is being built within Policy and Technical Advisory Division (PTA) to assist CPMs in engaging, where appropriate, in policy dialogue with member governments. PTA has developed an approach paper to support the process. PMD is upgrading the IFAD results measurement system to allow for an assessment of IFAD's performance and impact at the time of project completion. Constraints relate to IFAD's capacity to engage in significant policy dialogue and the technical capacity within IFAD to help local institutions achieve these goals. An IMI grant-funded programme has been launched to support systematic operationalization of scaling up across IFAD country programmes. The programme supports CPMs and CPMTs in mobilizing technical and policy expertise to develop country-level frameworks for scaling up (including a thematic focus on areas such as gender, targeting, markets, fragile states, low-income countries and MICs). To strengthen inter-institutional collaboration for scaling up, the IMI programme has established a scaling-up community of practice, and has involved national and international partners in regional workshops. Two learning tools are under development: a "how to" toolbox for practitioners (including for gender and institutional development); and a broad overview of the role of scaling up in development strategy. Review of scaling up has been strengthened early in the project review process - at the Operational Strategy and Policy Guidance Committee (OSC) stage - and effective integration of scaling-up approaches into project design is measured through the quality assurance (QA) process and reported on through an RMF indicator.
	5. Strengthen knowledge management processes to enhance IFAD's capacity to better capture and harness evidence-based knowledge for scaling up.	Overall: SKM Implementation: SPD, COM, PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Knowledge management process have been strengthened within IFAD (including through the IMI-programme mentioned above), with a continuous stream of learning and knowledge-sharing events, and quality enhancement (QE)/QA. This will be further supported by the recently developed corporate knowledge management framework and plan, and by ongoing work to conduct 30 impact evaluation studies by 2015.
Private sector	6. Increase engagement in policy dialogue for more conducive rural business environments that enable smallholders and the rural poor to gain better access to markets and value chains.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	See comments above for commitment number 4.
	7. Engage private-sector actors more systematically in country and project-level programming to raise	Overall: PMD Implementation:	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	This has begun only recently, with the first IFAD grant through the private sector approved by the Board in December 2012, and some projects cofinanced with the private sector (Uganda: Oil Palm, Kenya:

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	their pro-poor and sustainable investments in rural areas.	PMD directors				rural finance; Armenia: agro-business; Republic of Moldova: rural finance are noteworthy examples). This is a slow process as the IFAD business model was developed for work with the public sector through loans and grants, which constitutes a constraint on adaptation to the private sector.
	8. Increase information and communications technology activities in IFAD-supported programmes.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	This has happened in a few projects (First Mile Project in the United Republic of Tanzania, use of cell phones in Kenya). Design of an ICT regional grant programme using US\$1.6 million of supplementary funds provided by the Republic of Korea is under way. Progress is slow due to the fact that this is a relatively new area for IFAD, in which it lacks expertise.
Gender equality and women's empowerment	9. Strengthen analysis of gender equality and women's empowerment issues in IFAD's operations for stronger and more even performance in this regard, and to promote expanded economic opportunities for rural women.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	Supervision reports, portfolio reviews and IOE's evaluation suggest that IFAD is doing well in terms of its gender impact. Weaknesses were highlighted in the allocation of IFAD's budget by gender. This has now been corrected, and the 2014 budget and lending programme presents data disaggregated by gender, as requested by Board members.
	10. Enhance indicators to measure impact and results in gender equality and women's empowerment.	Overall: PMD Implementation: Director, PTA	Ongoing	- RIDE annually - IFAD9 MTR	Green	RIMS and IOE evaluations, as well as the RMF, all have gender indicators. These are measured and reported on at various points during the project cycle – at entry, every year during implementation and at completion. IFAD does generally well on these indicators. Although they have not yet been enhanced, for example by measuring impact through rigorous impact evaluation methods, the 2013 RIDE found gender impact to be positive. Work is continuing towards development of a core module to measure women's empowerment. This module includes a set of key questions to be included in the RIMS v2 impact survey guidelines. These questions will be piloted in 24 ex post impact evaluations.
	11. Enhance IFAD's capacity to document and disseminate field experience on gender equality and women's empowerment, and strengthen its advocacy efforts in this area.	Overall: PMD Implementation: PMD, COM directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	Efforts are under way to enhance IFAD's ability to document and disseminate field experience, and there are now some positive examples. Evidence indicates that IFAD projects have done well in this area, but this message is getting out to a limited extent. On advocacy at the international level, IFAD is hampered by resource constraints, although it is doing better (for example the recent meeting on gender issues in agriculture at WFP).
Climate change and sustainable management of environmental resources	12. Strengthen analysis of climate change and environmental issues in IFAD's operations to support innovative approaches to climate resilience and sustainable use of natural resources.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	Since the publication of the IFAD environment and climate change strategies, IFAD developed, and is now implementing, a major climate change adaptation initiative. IFAD continues to manage GEF projects, and reviews all projects for environmental impact. IOE is now giving IFAD higher ratings in this area. Also, IFAD's results measurement system is being upgraded in order to assess results in this respect. Work is under way towards methodological development of a resilience

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
						index. The questions forming the basis of the index will be part of supplementary questionnaires within the RIMS v2 impact survey guidelines. This supplementary module will be piloted as part of 24 ex post impact evaluations as well as the randomized control trials under ASAP.
	13. Assist smallholder producers in benefiting from climate finance and other adaptation and mitigation incentives, including through the IFAD-managed Adaptation for Smallholder Agriculture Programme.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	ASAP is up and running, after successfully raising considerable funding. Work is under way towards identifying measurable outcomes of its success. Mali is an example of ex ante evaluation design that aims to differentiate overall project impact from ASAP.
	14. Ensure that complementary contributions to support the implementation of the Adaptation for Smallholder Agriculture Programme are employed for that purpose.	Overall: PMD Implementation: PMD, CFS directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	Done.
	15. Enhance IFAD's capacity for knowledge management, advocacy and partnerships on climate change and environment and natural resource management.	Overall: PMD Implementation: PMD, COM directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Capacity has been enhanced, but is still rather shallow given the magnitude of the ASAP and the GEF programme to which IFAD has committed. This capacity must be expanded.
Project efficiency	16. Strengthen assessments of economic returns on investment during project design, recognizing the need to ensure that social and environmental objectives are also met.	Overall: PMD Implementation: PMD, SSD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	A major effort was undertaken by PTA to train staff in economic and financial analysis. A staff member was recruited in PTA to provide project teams with assistance in this regard and to manage the training. All projects are now required to undergo an economic analysis at design. Social and environmental impacts are also evaluated, as a requirement in project preparation. The fact that this type of knowledge in IFAD is shallow, outside of a few experts, remains an issue.
	17. Implement the scaling-up agenda.	Overall: PMD Implementation: PMD, SPD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	See comments above for commitment number 4.
	18. Reduce delays in the project cycle.	Overall: PMD Implementation: PMD, CFS directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Delays from project approval to start up have been reduced, but IFAD projects are still slow to start up. Mobilizing additional funding through the use of grants and through a multi-donor trust fund to help in detailed project design and implementation should help.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
Country-level decentralization	19. Open additional country offices in line with the IFAD Country Presence Policy and Strategy, ensuring adequate delegation of authority at the country level, and cost-efficiency in the set-up and operation of country offices.	Overall: PMD, CSD Implementation: Country Presence Coordination Group (CPCG) co-chaired by AVP and Head, CSD	Ongoing	- RIDE annually - IFAD9 MTR	Green	Country offices are established, and are largely staffed. The cost is quite manageable, and the impact is already being felt, according to the IFAD portfolio report and IOE's country programme evaluations. There are issues concerning delegation of authority to the country offices, and more effective use of country office staff. A paper was submitted to the Board in December 2013. Incentives for outposting of internationally recruited staff are now in place. Some administrative processes have been delegated to ICOs (for example, the travel process in ICOs in LAC and Viet Nam and the opening of an ICO bank account in Viet Nam). An ICO administrative handbook has been promulgated to the ICOs.
	20. Strengthen country office management and coordination, including implementation of incentives for out-posting of internationally recruited staff, and adequate delegation of decision-making authority to operate effectively and efficiently.	Overall: PMD, CSD Implementation: Country Presence Coordination Group (CPCG) co-chaired by AVP and Head, CSD	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Incentives for outposting have been improved. Delegation of authority is patchy. A Field Support Unit has been established in CSD, strengthening the support mechanism for ICOs.
Fragile states	21. Adopt a flexible approach to programme design and implementation support in fragile states, with a strong focus on building the capacity of community and government institutions, including through appropriate country presence arrangements, and close collaboration with other multilateral and bilateral partners.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	IFAD-supported programmes are less effective, and sometimes ineffective in many fragile states. An instrument to build capacity and manage projects in fragile states will be piloted with FAO in a project to strengthen of agricultural project units and government policy in fragile states. A multi-donor trust fund will be proposed to the IFAD10 Consultation to expand this pilot into a significant, grant-financed effort in fragile states that can assist with project design, implementation support, capacity-building and analysis.
	22. Enhance the quality of programme design and implementation support in fragile states by performing deeper analysis of the causes of fragility.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	An assessment was undertaken in 2013 that, together with an IOE corporate-level evaluation on fragile states scheduled for 2014, will determine revisions to IFAD's business model in fragile states. Further action will be taken in 2014 as indicated.
	23. Ensure simplicity of objectives and activities of projects in fragile states.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Red	See comments above for commitment number 22.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	24. Strengthen application of risk management in the context of programmes in fragile states, including for security of the workforce.	Overall: PMD Implementation: PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Risk management assessment in fragile states is now more sophisticated but is still not as robust as is needed. Partnerships with other organizations must be explored. For the security of the workforce, IFAD is adhering to the guidance provided by the United Nations system.
National monitoring and evaluation Systems	25. Strengthen national monitoring and evaluation systems by enhancing the capacity of project management staff and implementing partners, particularly at start-up and early project implementation through the systematic engagement of M&E experts during design and supervision missions.	Overall: PMD Implementation: SSD, PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Red	A start has been made, but progress has been insufficient given the magnitude of the problem. Greatly expanded efforts in this area will depend on the multi-donor trust fund. In-house capacity on M&E and impact evaluation has been established and expert advice is being provided at various stages of the project cycle to selected projects. Impact evaluation guidelines have been developed and place a strong premium on the integration of IFAD-supported project M&E systems into broader national M&E systems.
South-South and triangular cooperation	26. Establish an adequately resourced corporate coordination function to ensure South-South and triangular cooperation is pursued in a strategic manner, is widely mainstreamed across country programmes, and is grounded in a robust evidence base.	Overall: SKM Implementation: PMD, SPD directors	2013	- RIDE 2013 - IFAD9 MTR	Green	Using IMI financing, information on IFAD's strategy and experience in South-South and triangular cooperation (SSTC) is being disseminated on the IFAD intranet and internet, and IFAD has established a presence in global STTC forums, including through linkage of SSTC with the scaling-up agenda. Regional divisions are taking initiatives, including through mobilization of grants to support SSTC work, and collaboration with national centres for promotion of bilateral and multilateral SSTC.
	27. Develop staff incentives to proactively pursue and promote South-South and triangular cooperation.	Overall: SKM Implementation: SPD, PMD directors	2013	- RIDE 2013 - IFAD9 MTR	Yellow	See comments above for commitment number 26.
Partnership and advocacy	28. Increase focus on strategic long-term partnerships, in particular with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) in order to contribute to the success of the Committee on World Food Security, strengthen country programming, and raise efficiency through joint servicing initiatives.	Overall: SKM Implementation: OPV, SSD, CSD, PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	One staff member allocates 50 per cent of their time to the Committee on World Food Security, and links this to work on monitoring policies and evaluating their impact. A framework agreement was signed between IFAD and FAO in February 2013 to facilitate establishment of IFAD ICOs hosted by FAO.
	29. Strengthen partnerships with multilateral development banks, the Consultative Group on International Agricultural Research (CGIAR), bilateral development agencies, the	Overall: PMD, SKM, PRM Implementation:	Ongoing	- RIDE annually - IFAD9 MTR	Green	Strong partnerships exist with the World Bank, African Development Bank, Asian Development Bank, OFID, and CGIAR to support rural development projects. IFAD is an active member of the global donor platform, and is a major promoter and advocate for farmers' organizations and NGOs. For example, IFAD is actively engaged in

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	Global Donor Platform for Rural Development, foundations, NGOs, farmers' associations and the private sector.	PMD, PRM directors				<p>CGIAR governance and is working specifically on models for closer alignment of IFAD grants with CGIAR and to benefit from CGIAR knowledge input.</p> <p>The IFAD Partnership Strategy was approved in September 2012. Regional focal points have been identified to support regional divisions. A number of strategic partnership agreements and intents were signed this year. An assessment of all partnership agreements was conducted in the interests of better partnership management and a report was submitted to the September 2013 Executive Board. Partnership efforts with the private sector such as with Intel Corporation and the Bill & Melinda Gates Foundation (B&MGF) are ongoing.</p>
	30. Intensify engagement in global policymaking and advocacy forums, such as the G-20, that have a key role in shaping the international development architecture.	<p>Overall: SKM</p> <p>Implementation: SKM, OPV directors</p>	Ongoing	- RIDE annually - IFAD9 MTR	Green	<p>A corporate international policy engagement plan was developed and approved by the Executive Management Committee (EMC) in August 2013. A community of practice was set up to support efforts in this area. IFAD is actively engaged in post-2015 processes (post-Millennium Development Goals and Sustainable Development Goals forums alike); a taskforce on post-2015 was set up and an engagement strategy was endorsed by Senior Management. IFAD participated consistently in the G-20 Development Working Group throughout this year, resulting in increasing support to the Platform for Agricultural Risk Management (PARM).</p> <p>IFAD also engages actively in major global platforms such as the Tokyo International Conference on African Development (TICAD) V, the Global Compact, the United Nations General Assembly, various IFI replenishment processes, etc.</p>
	31. Intensify identification of and engagement in relevant new high-potential global advocacy initiatives.	<p>Overall: PMD, SKM</p> <p>Implementation: SKM, PMD, OPV directors</p>	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	Efforts are under way to the extent possible given IFAD's resource constraints.
	32. Support efforts to bring broader perspectives to global and national policy dialogue on smallholder agriculture, food and nutrition security and rural poverty reduction, particularly those of the rural poor and farmers' organizations.	<p>Overall: SKM</p> <p>Implementation: SKM, PTA directors</p>	Ongoing	- RIDE annually - IFAD9 MTR	Green	This is being realized through different processes, e.g. post-2015, the High-level Task Force on the Global Food Security Crisis, Committee on World Food Security, etc. A horizon-scanning process to identify new global development trends and issues relevant to IFAD was launched in the third quarter of 2013.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
2. Increasing IFAD's institutional effectiveness and efficiency						
Institutional efficiency	33. Introduce a fit-for-purpose and efficient-to-use staff time recording system to measure the full costs of performing key business processes and activities.	Overall: BOD, CSD Implementation: IFAD directors	2013	- RIDE 2013 - IFAD9 MTR	Yellow	IFAD is currently exploring options for an appropriate time-recording system, which would provide the necessary data on workload distribution and actual cost of key business processes and activities, particularly those related to delivering the programme of loans and grants. This information will be a key input into the annual strategic workforce planning exercise and resource allocation. Recruitment of Director, BOD has been completed.
	34. Develop key business process efficiency indicators and benchmarks to facilitate identification of opportunities for process streamlining and cost-saving.	Overall: SKM Implementation: Director, SPD	2013	- RIDE 2013 - IFAD9 MTR	Yellow	Consultation with key process participants and managers is under way with the objective of economical multivariate tracking of costs and performance in a limited number of key processes. Preliminary consultations are under way with other IFIs about the possibility of establishing a common matrix of processes and efficiency measures.
	35. Liaise with the Executive Board to explore opportunities to reduce costs associated with the operations of IFAD's governing bodies.	Overall: SEC Implementation: Secretary, IFAD	2013	- RIDE 2013 - IFAD9 MTR	Green	At its 107 th session, the Board approved the introduction of word limits for governing body documents as set out in paragraph 7(a), subpoints (i) to (x) of document EB 2012/107/R.4, noting the importance of maintaining document quality. In the 2013, these word limits reduced the length of documents and the associated production costs to the institution: in the first nine months of 2013, a reduction of 25 per cent in the length of Board documents (that were subject to these limits) was achieved in comparison to previous years. A review of measures implemented in 2013 was submitted to the Board, which approved additional cost reduction measures related to the introduction of additional word limits for governing body documents and the implementation of the fit-for-purpose approach, as set out in document EB 2013/110/R.4. It was agreed that the principle of language parity was key and that translation and interpretation would not be reduced, hence this issue need not be revisited in 2015, unless raised by Board representatives themselves or if deemed necessary by IFAD Management because of financial implications.
	36. Integrate recommendations of the corporate-level evaluation of the Fund's efficiency into IFAD's Change and Reform Agenda, and strengthen indicators used to measure performance with respect to efficiency, including IFAD's efficiency ratios, accordingly.	Overall: OPV Implementation: IFAD directors	2013	- RIDE 2013 - IFAD9 MTR	Green	IFAD responded to the CLEE through the development of a consolidated action plan which was presented to the Executive Board in September 2013 (EB 2013/109/R.12). The action plan seeks to address both the commitments made during IFAD9 Consultation and the recommendations made by the CLEE. A number of actions following up on the CLEE recommendations give continuity to and further reinforce the ongoing Change and Reform Agenda agreed during IFAD9. The status of implementation of the action plan will be monitored through President's Report on the Implementation Status of Evaluation Recommendations (PRISMA) and the results achieved will be reported to the Evaluation Committee and the Executive Board through RIDE.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	37. Streamline the Fund's processes and workflows through adoption of improved information communication technologies.	Overall: CSD Implementation: IFAD directors	2013	- RIDE 2013 - IFAD9 MTR	Yellow	ICT is supporting a number of initiatives aimed at streamlining PeopleSoft processes. E-RPA (request for personnel action) phase 1 (salary simulation) and phase 2 (automation of staff member requests) have been delivered. Phase 3, to automate front office RPA requests, is in development. Automation of PeopleSoft Travel and Expenses with IFAD's travel agent CWT and automation of expense reports were successfully implemented; and further integration with the United Nations Department for Safety and Security for security authorization is under way. Efficiencies have been delivered on the accounts payable stream through auto-creation of vouchers and payments and the streamlining of supplementary funds is under design. Development is under way to streamline and decentralize low-value procurement. With regard to HR Reform, e-performance is currently being enhanced to support pay-for-performance, e-RCS (request for consultancy services) is being upgraded to record consultant performance. A new system for absence management is being developed to retire the legacy Leave Management System.
	38. Assess value-added of business processes, and the potential for adopting more cost-effective alternative delivery modalities, including through joint servicing initiatives with other Rome-based agencies (RBAs).	Overall: CSD Implementation: CSD, FOD directors	2013	- RIDE 2013 - IFAD9 MTR	Yellow	The IFAD travel policy and travel procedures have been reviewed and recommendations yielding efficiency gains have been implemented. This included the single sign-on, which enables users to log into the corporate travel module and navigate through the booking systems. In addition, the travel policy and procedures and travel agency contracts are continuously being reviewed in close cooperation with the other RBAs and the members of the Inter-Agency Travel Network. A joint tender for petrol cards was issued by the RBAs agencies. Implementation of the petrol card system has begun and will generate administrative efficiencies by reducing the need for manual processing of petrol coupons. In addition, the petrol cards will reduce the risk of misuse of privileges granted to IFAD staff members. Sub-delegation of authority to division directors to conduct low-value procurement of up to EUR 10,000 as well as further streamlining of the corporate procurement guidelines will increase administrative efficiency by eliminating transactional steps for low-value and low-risk purchases. A thorough business process review was conducted of the records management, archives and library functions in the second quarter of 2013. An action plan has been developed to respond to key recommendations. Building on the success of the common procurement team of the RBAs, IFAD is currently reviewing the feasibility of establishing a common contracts review committee for joint tenders as well as harmonized general terms and conditions of procurement contracts to reduce the time lag between tendering and award of contract.
	39. Report progress against IFAD9 efficiency targets, including cost savings, to governing bodies through	Overall: SKM	2013 onwards	- RIDE annually - IFAD9 MTR	Green	Data on RMF indicators included in 2013 RIDE.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	the annual Report on IFAD's Development Effectiveness.	Implementation: Director, SPD				
Human resources reform	40. Consolidate and deepen reforms completed in IFAD8.	Overall: CSD Implementation: Director, HRD	Ongoing	- RIDE annually - IFAD9 MTR	Green	Major IFAD8 reform commitments have been fulfilled, including: the job audit and the SWP, updating staff rules and procedures, strengthening the HR platform for ICOs, reviewing the performance evaluation system, orienting the learning and development programme to strategic needs, establishing an Ethics Office, better rotation of staff, automation of HR processes, and improved communication with staff. However, work is ongoing in the following areas: (a) strengthening and deepening reforms as part of the continuous improvement process, and (b) ensuring that reforms were fully consolidated into the daily operations of IFAD. Work on the outcomes of the Global Staff Survey will also be an essential part of this commitment.
	41. Equip IFAD with instruments and resources to promote gender competence and gender equality in its human resources management policies as well as gender balance and equitable geographical distribution in its staffing.	Overall: CSD Implementation: Director, HRD	Ongoing	- RIDE annually - IFAD9 MTR	Green	<p>Training opportunities have been presented and are being developed, both at headquarters and in the field, in coordination with the Thematic Group on Gender (TG-Gender) to foster greater awareness of gender roles and relationships in successful rural development, and to encourage workplace recognition and appreciation of gender issues and best practices.</p> <p>A pilot course on women's leadership was delivered successfully , with the participation of the IFAD gender senior adviser. Participants agreed to establish a network of women leaders and to work together to promote gender equality and women's empowerment. HRD will review and replicate the pilot.</p> <p>Gender balance and geographic distribution requirements are being mainstreamed into all incidences of HR policy revision.</p> <p>The revised competency framework is being developed in close consultation with the TG-Gender and includes the principles of gender equality and women's empowerment. The staff selection process, in particular, is being reviewed.</p>
	42. While maintaining alignment with the United Nations Common System, continue to explore opportunities for flexibility in IFAD's compensation and benefits system so as to ensure, as a way to achieve institutional efficiency goals, that appropriate levels of compensation and performance-based reward systems are in place for all IFAD staff. This would include such efforts as participating actively in the 2011-2012 ICSC Rome Local Salary	Overall: CSD Implementation: Director, HRD	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	<p>The GS local salary survey has been completed and results implemented. The GS salary scale was reduced by 9.2 per cent for new staff, and salaries of GS staff on the former scale have been frozen until they are on a par with the new salary scale.</p> <p>The pay-for-performance model has been implemented, pending budget approval.</p> <p>The ICSC launched a major multi-agency review of the United Nations compensation system in 2013. IFAD will actively participate in this work and will be represented in working groups within the High-level Committee on Management and the HR Network.</p>

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	Survey Committee with respect to GS salary levels, urging the ICSC to ensure appropriate compensation levels at the Professional level, and piloting a pay-for-performance model in collaboration with the ICSC.					
3. Strengthening IFAD's financial capacity and management						
IFAD's financial model	43. Deploy an enhanced financial model based on a sustainable cash-flow approach on 1 January 2013. Towards this, the capacity of the Treasury Services Division will be strengthened, and a review of the current financial model will be undertaken to improve its flexibility, robustness and alignment with the financial projection models used by other IFIs.	Overall: FOD Implementation: FOD directors	2013	- Audit Committee - Executive Board in April 2013 - IFAD9 MTR	Green	The sustainable cash flow (SCF) model has been developed. The model was audited (by external auditors) and related procedures have been documented.
	44. Present a proposal to the Executive Board regarding the future use of the advance commitment authority, once the sustainable cash-flow approach has been fully implemented. Until then, current use, reporting and approval of the advance commitment authority will continue.	Overall: FOD Implementation: FOD directors	2013	- Proposal to Audit Committee - Executive Board in 2013	Green	The SCF/ACA was approved by the Executive Board in April 2013.
	45. Present a proposal to the Executive Board on how responsibility for compensation for forgone principal arising from adoption of the Debt Sustainability Framework will be managed, starting in IFAD10.	Overall: FOD Implementation: FOD directors	2013	- Proposal to Audit Committee - Executive Board in 2013	Green	A proposal was submitted to the Board in December 2013 and will be discussed during the IFAD10 Consultation.
Internal resource mobilization	46. Increase internal resources available to support IFAD's Programme of Loans and Grants in the IFAD9 period in line with the decision taken at the 104 th session of the Executive Board to carry out a comprehensive review of IFAD's Lending Policies and Criteria in 2012, and to align IFAD's lending terms as much as possible with those of the	Overall: FOD Implementation: FOD, LEG directors	2013 onwards	- Proposal to Executive Board in 2012	Green	A comprehensive review was undertaken, and the resulting document was endorsed by the Executive Board in December 2012, and approved by the Governing Council in February 2013.

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	International Development Association and the International Bank for Reconstruction and Development, taking into account IFAD's specificity as outlined in the Agreement Establishing IFAD.					
	47. Enhance IFAD's internal resources by soliciting payment of loan and contribution arrears, and exploring the possibility of loan prepayments with interested borrowing Member States.	Overall: FOD Implementation: PRM, LEG directors	Ongoing	- Proposal to Audit Committee and Executive Board as appropriate	Yellow	Loan prepayment has been explored with a number of borrowers, but it has not been largely pursued, as the advantage would not be very significant to internal resources. Arrears in loans and contributions are receiving prompt follow up. Outstanding arrears over total reflows are at a minimum level in recent years, also due to active debt-rescheduling with three borrowers.
New sovereign donors and alternative financing modalities	48. Engage non-Member States and groupings of States to contribute to and/or join the Fund.	Overall: PRM, LEG directors Implementation: Director, PRM	Ongoing	- Proposal to Governing Council and Executive Board as appropriate	Green	Three countries joined IFAD in 2013: Vanuatu, Tuvalu and Nauru. The Russian Federation is on track for joining IFAD. Regarding Australia's re-accession, IFAD is awaiting the decision of the new Government. New Zealand re-engaged by contributing to IFAD9. In addition, other countries have approached the Fund or have been approached in this respect: Belarus, Montenegro, Singapore, Slovakia and. Ukraine.
	49. Explore the scope for raising financing from other sources to be submitted to the Executive Board, provided that any related agreements have no consequences for the governance of the Fund.	Overall: FOD, PRM Implementation: PRM, LEG directors	Ongoing	- Proposal to Executive Board as appropriate	Green	Extensive work has taken place on the Additional Resource Mobilization (ARM) initiative in terms of contacting potential sources, liaising with other agencies with similar goals and conceptualizing viable modalities. Negotiations and studies are ongoing. A paper with concrete proposals will be submitted to the IFAD10 Consultation.
4. Enhancing IFAD's results and management system						
Impact evaluation	50. Raise the level of compliance with the requirement for projects to have a baseline survey by the end of their first year of implementation.	Overall: PMD Implementation: PMD, SSD directors	Ongoing	- RIDE annually - IFAD9 MTR	Yellow	About 150 out of 260 ongoing projects have undertaken baseline surveys and IFAD is on track for meeting the target set in this respect (40 per cent of all projects), and for submission of completion surveys (for 95 per cent of baseline surveys). The main challenge faced is the design budget, as this is not large enough to support baseline surveys. In-house capacity on M&E and impact evaluation has been established and expert advice on M&E and impact evaluation is now being provided at various stages of the project cycle to selected projects.
	51. Actively pursue partnerships with institutions specialized in impact evaluation, and mobilize resources to develop adequate internal capacity to conduct/manage impact evaluation work.	Overall: SKM, PMD Implementation: SSD, PMD directors	Ongoing	- RIDE annually - IFAD9 MTR	Green	Ongoing partnerships include: 3IE, IFPRI, and the M&E harmonization group. New partnerships are in the process of being established with: the London School of Hygiene and Tropical Medicine, Wageningen University and Research Centre, International Finance Corporation (IFC)_Macro, Centre for Effective Global Action (CEGA), Oxfam, BRAC, Institute of Development Studies (IDS), International Institute for Applied Systems Analysis (IIASA) and the Centre for the Evaluation of Development Policy (EDePo).

Area of reform	Key commitments	Responsibilities	Time frame	Reporting	Status Q3 2013	Remarks
	52. Present an information paper to the Executive Board on the methodologies IFAD will employ in carrying out impact assessments and in measuring the new impact-level indicators introduced in the RMF 2013-2015.	Overall: SKM Implementation: Director, SSD	December 2012	- Paper to Executive Board in December 2012	Green	Done.
	53. Conduct, synthesize and report on approximately 30 impact surveys over the IFAD9 period. Three to six of these will use randomized control trials or other similarly rigorous methodology, depending on cost-sharing opportunities, and interest and availability of institutions specialized in impact evaluation to support this work.	Overall: SKM Implementation: Director, SSD	2013 onwards	- IFAD outcome report to Executive Board from 2014 onwards	Green	A RIMS survey inventory analysis was carried out to select the 24 projects that will be subject to ex post impact evaluation. The six projects to use randomized control trials (RCTs) methods were identified. Their evaluations will be conducted in the context of the 3IE Agricultural Innovation Thematic Window (supported with US\$10 million from DFID and the B&MGF). These projects have been matched with internationally renowned research institutions, including IFPRI, Wageningen University and Research Centre, the University of California, etc. which will conduct the impact studies. Support for the design of RCTs for ASAP-related projects is also being provided.
Results reporting	54. Review and consolidate mechanisms for results reporting to governing bodies, towards more succinct accounts that are focused on impact and outcomes achieved.	Overall: SKM Implementation: Director, SPD	Apr 2013	- Proposal to Executive Board in April 2013	Green	This IFAD9 commitment was fulfilled ahead of plan. Management proposals to consolidate results reporting to the Executive Board were endorsed by the Board in September 2012.
	55. Report annually to the Executive Board and Evaluation Committee on performance against RMF 2013-2015 indicators and targets through the Report on IFAD's Development Effectiveness.	Overall: SKM Implementation: SPD+PMD directors	2013 onwards	- RIDE annually - IFAD9 MTR	Green	The first revised RIDE was submitted to the Executive Board in December 2013.
	56. Report annually to the Executive Board through the Audit Committee on enterprise risk management activities in IFAD.	Overall: VP Implementation: Risk champions	Annual	- Reporting to Audit Committee annually - Annual Report on IFAD's ERM Activities to Executive Board	Green	In the context of the Executive Board's endorsement (in September 2012) of Management's proposal to consolidate results reporting to the Executive Board (see commitment number 54), the Annual Report on Enterprise Risk Management will no longer be prepared.

Overall MOPAN ratings of IFAD

The two charts below show the ratings on the key performance indicators (KPI) that MOPAN used to assess IFAD in 2013. The first chart shows the ratings on 21 indicators designed to measure organizational effectiveness (practices and systems), and the second chart shows ratings on the three indicators designed to assess IFAD measurement and reporting on development results, and relevance to stakeholders.

Chart 1




Organizational effectiveness – overall ratings

	Survey Respondents	Document Review
STRATEGIC MANAGEMENT		
KPI-1 Providing direction for results	4.55	6
KPI-2 Corporate strategy and mandate	5.29	6
KPI-3 Corporate focus on results	N/A	4
KPI-4 Focus on thematic priorities	4.50	5
KPI-5 Country focus on results	4.38	5
OPERATIONAL MANAGEMENT		
KPI-6 Resource allocation decisions	4.54	5
KPI-7 Results-based budgeting	4.48	4
KPI-8 Financial accountability	4.47	5
KPI-9 Using performance information	4.41	5
KPI-10 Managing human resources	N/A	5
KPI-11 Performance-oriented programming	4.05	5
KPI-12 Delegating authority	3.51	4
RELATIONSHIP MANAGEMENT		
KPI-13 Supporting national plans	4.51	4
KPI-14 Adjusting procedures	4.03	N/A
KPI-15 Using country systems	4.13	4
KPI-16 Contributing to policy dialogue	4.17	N/A
KPI-17 Harmonising procedures	4.09	4
KNOWLEDGE MANAGEMENT		
KPI-18 Evaluating results	4.79	5
KPI-19 Presenting performance information	4.41	4
KPI-20 Disseminating lessons learned	4.12	4
KPI-21 Availability of documents	N/A	6

Legend	
Strong or above	4.50-6.00
Adequate	3.50-4.49
Inadequate or below	1.00-3.49
Document Review Data Unavailable	◇
Not assessed	N/A

Chart 2

Evidence of IFAD's contribution to development results and relevance to stakeholders – overall ratings

Key performance indicator	Assessment Rating
KPI A: Evidence of extent of progress towards organisation-wide outcomes	 Inadequate
KPI B: Evidence of extent of contribution to country-level goals and priorities, including relevant MDGs	 Inadequate
KPI C: Relevance of objectives and programme of work to country level stakeholders	 Adequate

Report on IFAD Policy on Gender Equality and Women's Empowerment

1. This annex reports on gender in IFAD, reporting on progress in the implementation of the IFAD Policy on Gender Equality and Women's Empowerment. The policy is central to IFAD's Strategic Framework 2011-2015 and the IFAD9 replenishment commitments. Its goal is to deepen impact and strengthen the sustainability of IFAD-supported development initiatives by increasing IFAD's impact on gender equality and strengthening women's empowerment in poor rural areas.

A. Results achieved in relation to the strategic objectives

2. In 2012, women's representation among people receiving services from IFAD-supported projects continued to increase numerically (from 28 million in 2011 to 37 million in 2012) and women now account for almost half of all beneficiaries (49 per cent). An overview of the outreach to IFAD beneficiaries through IFAD-supported loan activities is presented in table 1. Women continue to dominate training in business and entrepreneurship (accounting for 84 per cent of the people trained) and in rural financial services, where they account for over 70 per cent of both savers and borrowers. They also continue to dominate training in community management topics. During the last year, the number of women participating in training in crop and livestock production practices and technologies has grown.

Table 1

Number of people receiving services from IFAD-supported projects disaggregated by gender

<i>Operational outcomes</i>		<i>Measures of success and source of verification</i>			
<i>Indicator</i>		<i>Baseline value (2007/2008)</i>	<i>RIDE 2011 (2010 data)</i>	<i>RIDE 2012 (2011 data)</i>	<i>RIDE 2013 (2012 data)</i>
<i>People receiving services from IFAD-supported projects</i>	People receiving services from IFAD-supported projects (number)	29.2 million	43.1 million	59.1 million	78.7 million
	Male: female (percentage)	57:43	54:45	52:48	51:49
<i>Agricultural practices/Technologies</i>	People trained in crop production practices/technologies	1.7 million	4.5 million	4.8 million	4.5 million
	Male: female (percentage)	50:50	65:35	64:36	55:45
	People trained in livestock production practices/technologies	1.1 million	1.2 million	1.2 million	2.6 million
	Male: female (percentage)	35:65	44:56	55:45	56:44
<i>Rural financial services</i>	Active borrowers	4.4 million	2.7 million	4.3 million	2.5 million
	Male: female (percentage)	52:48	43: 57	31:69	26:74
	Voluntary savers	5.4 million	7.9 million	5 million	5.5 million
	Male: female (percentage)	51:49	47:53	32:68	29:71
<i>Microenterprise</i>	People trained in business and entrepreneurship	0.2 million	0.7 million	1.4 million	1.5 million
	Male: female (percentage)	53:47	39:61	25:75	16:84
<i>Policies and institutions</i>	People trained in community management topics	0.7 million	2.1 million	3.2 million	2.7 million
	Male: female (percentage)	38:62	33:67	25:75	16:84

Source: RIMS

3. The text below presents examples from the current IFAD portfolio that contribute to the achievement of the three strategic objectives of the gender policy – economic empowerment, representation and decision-making, and workload balance and sharing of the benefits – as well as the two cross-cutting themes of youth and climate change. An individual project may contribute to more than one objective but is presented under the objective that highlights its most innovative feature.

Strategic objective 1: Promote economic empowerment of rural women and men

4. The principal thrust of the majority of IFAD loans is to promote economic empowerment to enable rural women and men to have an equal opportunity to participate in, and benefit from, profitable economic activities. The projects demonstrating such initiatives have been grouped under four thematic headings.

Accessing financial services

5. The Western Sudan Resources Management Programme formed solidarity-based, self-sufficient savings and credit groups in rural communities in Sudan. The groups have developed a strong savings culture among rural women and, in 2012, they accounted for 93 per cent of the 11,700 members. This experience has enhanced their confidence in undertaking new economic activities and lifted the status of women within the community by replacing what is perceived as "idle" time with productive activities.
6. The Rural Development and Modernization Project for the Eastern Region of El Salvador takes financial services to populations that are usually excluded, focusing on women, but without excluding men. The financial groups design their own management fund model, embracing both economic and social considerations. Affirmative action to close gender gaps and improve women's quality of life includes: literacy training circles; sexual health campaigns for women, men and couples; and fuel-efficient stoves, which reduce women's time collecting wood. The formation of a women's network, including women's financial groups, engages in dialogue with government (mainly municipalities) to request and manage services.

Developing value chains and enterprises

7. The Support Programme for Rural Microenterprise Poles and Regional Economies in Madagascar works on pro-poor value chains that affect vulnerable groups, especially women and young girls who have left school. The value chains include crafts and fruit processing, for women and young girls, in addition to onion, maize, beans and vanilla value chains, which are of interest to both women and men. Women farmer and producer organizations have been created to facilitate their access to productive investments and finance, and their technical and productive skills have been improved through business development services. Access to markets has been strengthened through creating market infrastructures managed by women's organizations, involving women in dialogue platforms for specific value chains and ensuring their active participation in trade negotiation workshops. In addition, the Norwegian-funded women's leadership grant programme supported the emergence of new women leaders.
8. The Northern Rural Growth Programme in Ghana has four commodity windows to promote value chain development: industrial crops, women's crops, fruit and vegetables, and animal resources. The inclusion of a specific women's crops window (for shea butter) has enabled women to access land and other production resources. Women are organized into groups and receive training in advocacy and market access. They are linked directly to international companies, thereby avoiding several layers of intermediaries. Their incomes have been tripled by this intervention. Women have also increased their participation in other commodity windows, especially industrial crops. The programme has advocated for women value chain actors to be represented on the district value chain committees. It has also engaged with the regional paramount chiefs to promote behaviour change, which has yielded results in terms of women's access to land. Women now account for two thirds of the programme participants.
9. The Farmer Market Access Programme in Armenia makes financing available to rural small and medium-sized enterprises that show growth potential and provides support to help women build their knowledge, skills and confidence. The programme also contributes to the Rural Finance Facility, a permanent autonomous

unit set up by the Government to channel capital to financial institutions and thus improve rural poor people's access to loans. Loans are given to family enterprises and family members occupy most of the jobs created, with women acting as enterprise founders, employees and suppliers. So far, more than 300 enterprises have generated about 2,000 full-time jobs (35 per cent held by women).

Accessing land

10. Significant progress has been made in Africa in recognizing the importance of land and natural resource tenure security for women, but the real challenge now is in developing and implementing appropriate policies, approaches and tools for securing these rights. Studies on women's land rights undertaken in Ethiopia and Uganda, with the support of supplementary funds from Canada, highlighted the need to promote the empowerment of rural women above and beyond land titling or individual legal actions, to enable them to claim, defend and consolidate their land rights, and then to build more effectively on their secured rights to guarantee their livelihoods. Tools, guidelines and approaches were shared at a practitioners meeting in Nairobi in May 2013, a collaborative initiative between IFAD, the Global Land Tool Network and the International Land Coalition.
11. Project-level examples include the Kirehe Community-Based Watershed Management Project in Rwanda, which has facilitated 140,000 land titles being issued to land owners and, where applicable, these titles are co-registered to the husband and wife; securing women's access to productive lands for rice production and market gardening in the Sustainable Rural Development Programme in Burkina Faso; and the equitable allocation of land to women and young women and men to utilize seeds supplied under the Agricultural Value Chains Support Project in Senegal.

Developing infrastructure

12. The Sunamganj Community-Based Resource Management Project in Bangladesh forms labour contracting societies (LCS) for infrastructure development, creating an often unique opportunity for women to earn cash income. Women account for 40 per cent of LCS members and report that LCS is an important chance for them to improve their economic and social situation. Women's wages, hours of work and benefits are equal to those of their male colleagues. Many invest their earnings in income-generating activities. Some also make the blocks for the road, which they can do near their homes with flexible timing, thus allowing them to continue with homestead gardening, looking after their children etc. Women account for 75 per cent of the members of the implementation monitoring committees that monitor the infrastructure works and this has increased their voice in community decision-making. The roads have also made travelling easier, more affordable and safer, thus enabling women to travel to nearby cities and markets to purchase goods, and to visit hospitals/doctors or their relatives. In addition, road maintenance has generated regular employment for the poorest and most disadvantaged women.

Strategic objective 2: Increase rural women's decision-making power and representation

13. Initiatives to enable women and men to have equal voice and influence in rural institutions and organizations take place in a variety of contexts, ranging from project-related institutions at the community level, to farmer and producer organizations, through to national forums and global gatherings.
14. The Rural Women's Leadership Programme developed the capacity of grass-roots women leaders in Madagascar, Nepal, the Philippines and Senegal. This three-year programme – supported by supplementary funds from the Government of Norway – demonstrated that there is clear demand from grass-roots women for their priorities to be heard in farmer organizations, and that a holistic approach is required that considers informal and women-only cooperatives as well as formal

and national organizations, women's wings as well as mainstreaming gender into services, and a gender-balanced membership base. Alongside building the capacities of women themselves, institutions must be supported in order to change, adjust the perception of leadership and value the contribution of women. In many contexts it is important to work with men in order to build understanding and acceptance of (even advocacy for) the potential contribution of women both in farmer organizations and through collective action. Good practices and lessons learned from the programme have already spread to others; for example experiences in Senegal, which were implemented in partnership with the Women's College of the National Council of Rural Groups, have been shared in Benin, Côte d'Ivoire, Guinea and Mauritania. The programme has resulted in two follow-up grant-funded initiatives: "Capacity building for women's leadership in farmer producer organizations in Asia and the Pacific region" and "Knowledge management and learning on gender empowerment of rural producer groups in East and Southern Africa".

15. The Rural Development Project in the Mountain Zones of Al-Haouz Province in Morocco has contributed to improving the living conditions of rural women by enabling them to integrate into the community's socio-economic life and becoming part of the decision-making process of local cooperatives and associations. In the past, women were not allowed to speak in public or take care of administrative processes, but the project's innovative and participatory approaches have contributed to favourable changes in attitude and behaviour regarding women and their role in the communities. Women now actively participate in decision-making processes and their contributions are appreciated.
16. The Agricultural Value Chains Support Project in Senegal has not only developed value chains but also strengthened women's and men's roles in the governance of rural institutions. The presence of women as chairpersons of their organizations has increased significantly, and women currently account for around 60 per cent of the leaders of the organizations partnered by the project; many women have been elected for other positions, such as treasurer or secretary. Women also account for half of the chairpersons of the assemblies of the inter-professional forums uniting representatives of producer, processor and trader organizations.
17. The Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme in Sao Tome and Principe started working on the bio-coffee value chain in 2010. After two years of programme implementation, women accounted for 51 per cent of the beneficiaries of this value chain. Women also hold prominent positions in the institutions responsible for the operation of the coffee industry. Infrastructure has been built to alleviate women's workload, namely processing facilities, drinking water supply with laundry facilities, and improved stoves. Most of the leadership positions within the newly created association of women producers are held by women who are members of the fair trade cocoa and quality cocoa associations that have been created by the programme.

Strategic objective 3: Achieve an equitable balance in workload and sharing of benefits

18. Many IFAD-supported projects enable women to access basic infrastructure, services and labour-saving technologies in order to reduce drudgery and to achieve a more equitable balance in workloads. Drudgery reduction is often the key to enabling women to become active stakeholders in project implementation.
19. The District Livelihoods Support Programme in Uganda uses the household mentoring methodology as a mechanism for social inclusion and promoting gender equality. All adult members of poorer households, i.e. household head, spouse and adult children, are mentored together, unlike other approaches that tend to focus on the household head. This has enabled joint family discussions, planning, visioning and priority setting, to ensure that not only men and women but also

adult children have a voice in influencing decisions at the household level. The visioning exercise brings out clearly the issue of workloads, and how the work can be redistributed to ensure all family members contribute to development. The programme also encourages women, men and their offspring or their representatives to seek inclusion in the certificate of land registration – and this achievement represents an important cultural shift. Men have been encouraged to join adult literacy classes by broadening the content to include aspects of business planning. Through these classes, men and women have been enlightened and empowered to stand up for their rights, take charge of economic affairs in their households, and some groups have evolved into savings and credit associations.

20. The Participatory Small-scale Irrigation Development Programme in Ethiopia has deliberately targeted women heads of households through women-only groups. The programme has supported the introduction of improved stoves through demonstrations and training of trainers in the construction and use of the stoves. The triple benefits reducing women's burden of fetching firewood, improving the community's energy efficiency and creating income-generating opportunities.
21. The Southern Highlands Project in Peru has focused particularly on developing women's businesses because they are the basis of family savings and household money management, and this has important implications for education and the nutrition of children. In addition to a range of activities to facilitate inclusion in the formal financial system and to support women's participation in fairs, study tours and stories of life competitions, the project has empowered women to participate in the leadership and influence the decision-making of associations and rural community organizations, and has introduced shared life and risk insurance for couples.
22. The Second Cordillera Highland Agricultural Resource Management Project in the Philippines conducted community consultations with women and men separately, in order to be able to incorporate the specific needs, views and concerns of rural indigenous women in *barangay* (district) participatory project investment plans. This was a major achievement in highly traditional indigenous communities, where women's participation tends to be dominated by men. There is evidence that women's voice resulted in different outcomes – for example, investing in domestic water supplies (which had been the women's priority) before rehabilitating a community irrigation system (men's priority).
23. **Climate change.** Projects supported by the IFAD Adaptation for Smallholder Agriculture Programme (ASAP) have a strong focus on the differentiated vulnerabilities of women and men to climate-induced hazards, and also harness the role of women as agents of change to strengthen the impact on the resilience of communities and ecosystems. Initiatives include: increasing women's asset base and supporting livelihood diversification as an important strategy for increasing their resilience to external shocks, including climate change (Plurinational State of Bolivia); providing for ethnic minority women to be represented in key committees and groups related to the management of growing climate risks, and to influence longer-term policy dialogue at the provincial/national levels (Viet Nam); and mitigating the burden of climate change on women's workloads in collection fuelwood through introducing innovative biofuel energy sources, which reduce women's non-productive time, counter deforestation and create a cleaner and safer energy source (Mali).

B. Results achieved in relation to the implementation plan

IFAD-supported country programmes and projects

24. Specialist gender staff at headquarters and the regional level regularly provide technical support during the country programme and project design and implementation process to strengthen the gender equality and poverty targeting

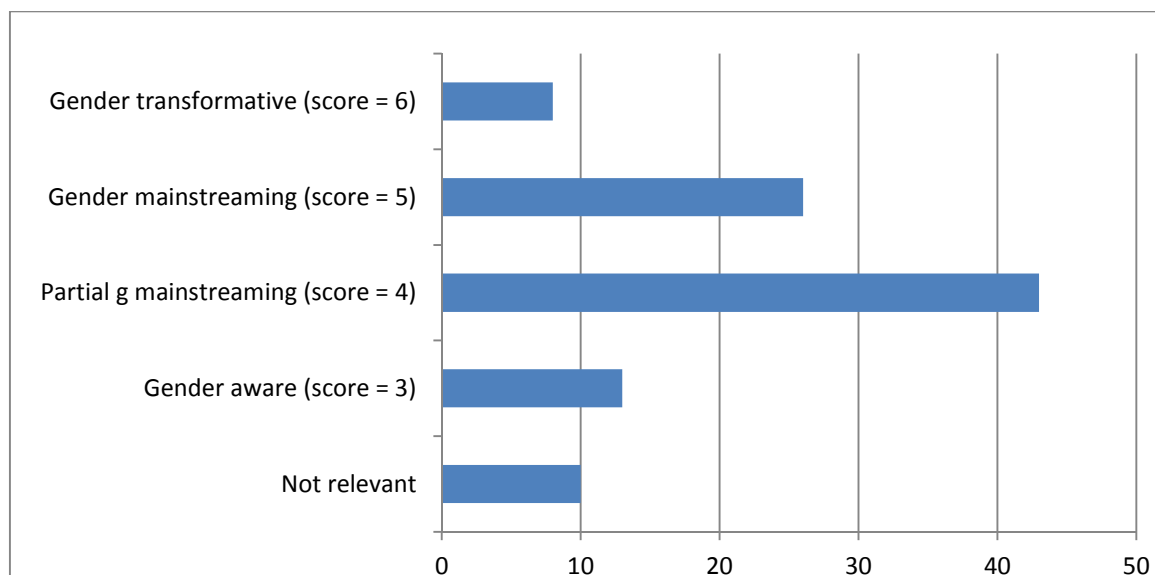
perspectives, by participating in missions, as members of country programme management teams and by providing inputs to document reviews.

25. Activities to strengthen project design in 2012-2013 included: developing a system of gender markers to reflect the maturity of a project at different stages of the project cycle from a gender perspective; strengthening the gender perspective of the RIMS, in collaboration with IFAD's Programme Management Department (PMD) Front Office and SKM, by drawing on key elements of the Women's Empowerment in Agriculture Index (WEAI); providing inputs to the IFAD staff induction training and direct design training, together with project management training for staff from the FAO Investment Centre; the Policy and Technical Advisory Division's (PTA) livestock thematic paper on tools for project design, with a special focus in women and pastoralists; and developing an e-learning course on social analysis for agricultural and rural development in collaboration with the FAO Investment Centre.
26. All project design reports are required to describe the target group and the gender context, and to outline strategies for strengthening beneficiary outreach among the poor and for promoting gender equality and women's empowerment as an integral part of project design.
27. At the corporate level, a methodology has been developed for conducting an ex ante analysis of the gender-sensitivity of the value of the IFAD loan portfolio. Each loan component or subcomponent was analysed from a gender perspective to assess how gender considerations had been taken into account in shaping its activities and implementation mechanisms. A score was assigned to reflect the degree to which gender issues had been addressed. Figure 1 presents the results for the 35 loans – amounting to US\$825 million – that were approved by the Executive Board between September 2012 and April 2013 (which coincides with the RIDE's reporting period). They show that the content of over 77 per cent of the value of the loans is rated moderately satisfactory or above with respect to gender.

Figure 1

Distribution of total loan value approved September 2012-April 2013 by gender score

(percentage)



28. Overall, 26 per cent of the total loan value can be classified as gender mainstreaming – where the commitment to gender equality is fully integrated within the component activities and is reflected in the allocation of financial and human resources, as well as the operational measures and procedures. A further 8 per cent of the budget can be described as gender transformative, with activities

that go beyond addressing the symptoms of gender inequality to tackling the underlying social norms, attitudes, behaviours and social systems.

29. Most of the loan value (43 per cent) can be described as partial gender mainstreaming, whereby gender considerations have been mainstreamed in some aspects of component design but with limited allocation of resources. A further 13 per cent contributes in a more limited way to gender equality (gender aware). Gender issues were not considered to be relevant to 10 per cent of the loan value at design stage, such as meteorology and hydrometric systems or seed certification.

Improvement in gender ratings for loan and grant design

30. An arms-length review for quality assurance is conducted prior to presenting a project to the Executive Board for approval. The incorporation of gender issues in project design has steadily improved since 2008 (table 2). Of the projects designed in 2012/2013, 96 per cent were judged to be at least moderately satisfactory with regard to addressing and mainstreaming gender issues into design.

Table 2

Percentage of projects rated 4 or better at design for gender

<i>Indicator</i>	2008	2009	2010	2011	2012	2013
Gender equality and target population	82	85	92	95	94	96

Source: Quality Assurance and Grants Unit

31. A total of 46 grants were approved between July 2012 and June 2013. Five had a strong gender focus and a further 31 had a gender dimension, whereas only 10 made no reference to gender. The five grants with the strong gender focus were: establishing a competitive grant fund to enable women entrepreneurs to upgrade and expand their rural enterprises (Latin America and the Caribbean Division – LAC); working with the Aga Khan Foundation to set up sustainable, independent, export-oriented women-led small businesses in cashmere, mohair and wool processing in Afghanistan, Kyrgyzstan and Tajikistan (PTA); securing access to land for poor women and men with the International Land Coalition (PTA); cofinancing a two-year collaborative research programme with World Bank and FAO on understanding the determinants of input use and/or allocation of household resources that may underlie gender differences in agricultural productivity in sub-Saharan Africa (West and Central Africa Division – WCA); and supporting participants from IFAD-supported projects in mountain regions to attend the Bhutan+10 conference on gender and sustainable mountain development (PTA/Asia and the Pacific Division – APR).

Increase in IFAD inputs on gender issues in international forums and publications

32. The first global meeting of the Indigenous Peoples' Forum took place at IFAD headquarters on 11 and 12 February 2013. There were 34 participants (of whom just over half were women), representing 27 countries from the regions of Asia and the Pacific, Africa, and Latin America and the Caribbean. Addressing gender issues was a common thread running through the three regional workshops that were held as part of the preparations for the forum. During the forum, the gender dimension was enriched by three testimonies from different regions during a session on increasing opportunities for indigenous women as key actors for indigenous peoples' well-being. The commitment to addressing gender issues was also reflected in the synthesis of deliberations, which included the specific recommendation for IFAD to "Devise measures for affirmative action targeting indigenous peoples and, in particular, indigenous women and youth".

Inclusion in key IFAD policy documents and knowledge products of references to gender equality and empowerment of women

33. IFAD regularly gives visibility to gender-related aspects of rural development through “voices from the field” on the Rural Poverty Portal and IFAD’s website, articles posted on IFAD’s social reporting blog, IFAD’s daily press clipping service, abstracts circulated by the library services, and COM-led initiatives around major events. During the year, several of the IFAD regional newsletters have a specific gender focus, for example, rural women’s savings and credit associations in Ethiopia; investing in rural women through smart development in Latin America and the Caribbean and the importance of breaking the cycle of violence against women in Honduras. Many IFAD videos also have a strong gender dimension.

Increase in focus on gender issues in policy dialogue and scaling up

34. Scaling up, a priority for IFAD in recent years, has had additional impetus with the IFAD9 commitment to lift 80 million people out of poverty by 2015. However, there is concern to ensure that scaling up does not weaken the outreach of IFAD-supported projects – particularly value chain development – to the rural poor and especially women. This concern was noted in the Brookings Institute Paper (2013) “Scaling up programs for the rural poor: IFAD’s experience, lessons and prospects”. The gender desk explored this issue by learning lessons from five successful IFAD targeting and gender scaling up experiences and identifying ways to help IFAD retain and strengthen its poverty and gender focus in the scaling up agenda.

Increase in joint initiatives on gender-related activities with other development agencies

35. The three Rome-based agencies ([RBAs] – FAO, IFAD and WFP) and UN Women have developed a five-year joint programme for accelerating progress towards the economic empowerment of rural women, to be implemented in seven countries: Ethiopia, Guatemala, Kyrgyzstan, Liberia, Nepal, Niger and Rwanda. The programme was launched – with support from all four agencies – in New York in September 2012 and in Rome in October 2012.
36. In Kenya, the three RBAs have jointly implemented the project “One voice against gender inequity: Addressing gender inequity in disaster risk reduction and resilience building in the arid and semi-arid lands of Kenya”. The project has supplied agricultural inputs (mainly seeds), water tanks, drip irrigation kits and local chicken; trained women’s groups and individuals in poultry production; and designed tools for community level research.

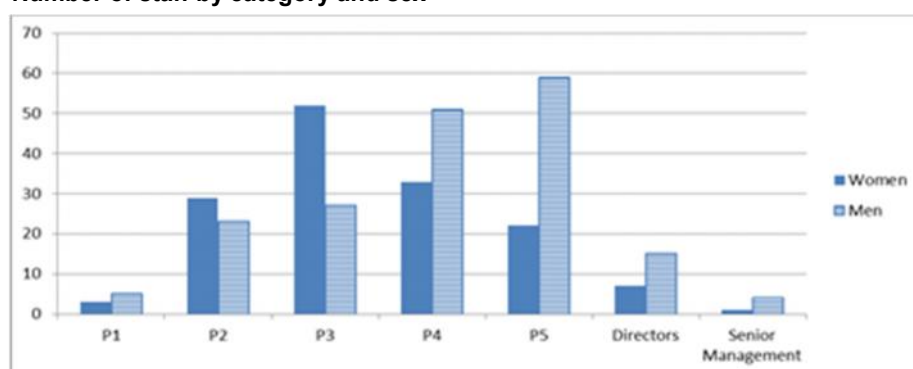
Gender and diversity balance in IFAD

37. Working with the Human Resources Division (HRD), activities in this area have gained momentum during 2012-2013. A gender and diversity e-learning course – which has been developed with the support of Finnish supplementary funds – is close to completion. The three modules will cover: the importance of gender equality and diversity in the workplace; IFAD’s approach to promoting gender and diversity in the workplace through its policies and organizational culture; and ensuring a constructive and positive work environment. The President has endorsed this initiative and it will be mandatory for all staff and consultants.
38. As of 1 August 2013, IFAD employed a total of 586 staff members,⁴ comprising 331 Professional staff and 255 General Service staff. Women accounted for 81 per cent of General Service staff in 2013; 60 per cent of P-1 to P-3; 39 per cent of P-4; 27 per cent of P-5; 32 per cent of directors; and 20 per cent of senior management

⁴ The data refer to IFAD, including hosted entities (the Global Mechanism of the United Nations Convention to Combat Desertification, the International Land Coalition and the United Nations Secretary-General’s High-Level Task Force on the Global Food Security Crisis).

(see figure 2 and table 4). Overall, women account for 28 per cent of staff at grade P-5 or above. There is a similar distribution among IFAD field staff paid through other United Nations agencies: women account for 71 per cent of General Service staff and 23 per cent of national Professional officers. With reference to the UN-SWAP targets, IFAD exceeds the target on gender equality for General Service staff (at 81 per cent) and has made slight gains for grade P-4 and above (33 per cent). The share of workforce from List B and List C countries is stable at 40 per cent in 2013.

Figure 2
Number of staff by category and sex



Data for General Service staff: 207 women; 48 men

Table 4
Composition of staff

Indicator	2011	2012	2013	Target
Percentage of women in P-5 posts and above	28	30	29	35 (RMF 2015)
Percentage of women in P-4 posts and above	31	30	33	50* (UN-SWAP)
Percentage of women in General Service staff positions	81	81	81	50* (UN-SWAP)
Percentage of workforce from Lists B and C Member States	40	39	40	Tracked

* Indicators for the UN-SWAP performance assessment.

Increase in human and financial resources from IFAD's core budget invested to support gender equality and women's empowerment

39. The dedicated gender staffing at IFAD headquarters has been maintained during 2012-2013, comprising two Professional staff members (P-5 and P-4) and one General Service staff member. Two divisions continue to have outposted full-time regional gender coordinators (WCA in Dakar and ESA in Nairobi) and their presence strengthens the ability to mainstream gender across the portfolio, provide specialist gender expertise on design and implementation support missions, and enhance the gender focus across their regional portfolios.
40. Progress has been made in strengthening IFAD's gender architecture, with terms of reference for divisional gender focal points and the introduction of alternates. At present, the gender focal points and their alternates for the regional divisions at headquarters consist of nine P-5s, one P-3 and one G-6; seven women and four men. The network of gender focal points at the country office, programme and project level is currently being mapped out.
41. As part of the preparation of the IFAD Administrative Budget for 2014, the Budget and Organizational Development Unit adjusted the budget system to create new fields to capture ex ante gender-related and supporting activities. The results from this pilot initiative indicate that around 6 per cent of total staff costs is spent on

direct gender-related activities. The results by division fell into three clusters: more than 10 per cent (Ethics Office and PTA); around 10 per cent (regional divisions, COM and SDD); and 5 per cent or less (all other divisions). Given that the methodology was only piloted this year, a more rigorous exercise will be initiated early next year to better capture gender sensitivity data on all costs.

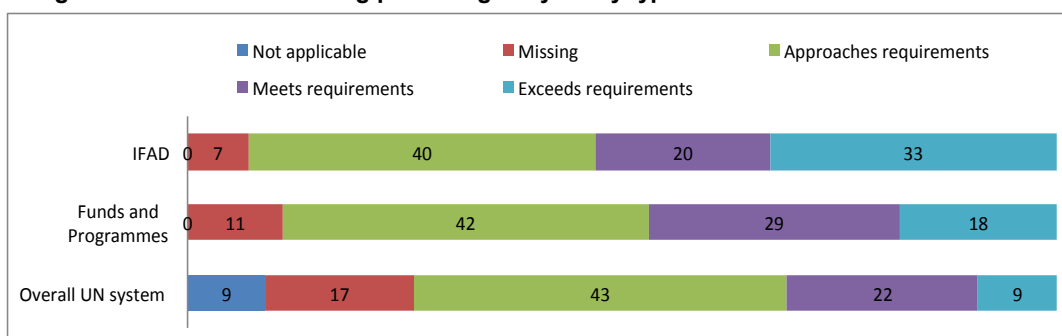
42. Awaiting the redesign of IFAD's gender architecture, the Thematic Group on Gender (TG-G) continues to function as an important resource augmenting the activities of the gender staff and gender focal points. The membership of 69 people (74 per cent are women), drawn from 23 divisions, reflects the widespread interest in gender among staff at IFAD.

Increase in score in annual review of IFAD's performance on gender equality and women's empowerment

43. The UN-SWAP provides an overview of the promotion of gender equality and the empowerment of women for the United Nations system, and will allow tracking of progress towards the set of 15 common-system performance indicators that make up the core of the UN-SWAP accountability framework. Based on the first round of reporting in February 2013, IFAD's overall performance was better than the overall United Nations system and also slightly better than the performance of the United Nations agencies that were grouped under Funds and Programmes⁵ (see figure 3). UN Women commented "IFAD's results for the first year of UN-SWAP reporting are very impressive and confirm that it is a leader in many areas related to gender equality and women's empowerment, particularly the following: programme review; gender equality and the empowerment of women policies; performance management; monitoring and reporting; and organizational culture". Activities have already been initiated to address areas where IFAD was weaker, including gender architecture and parity in staffing; tracking of financial resources allocated to gender-related activities within the organization; and capacity assessment and development of staff. Additional work is needed to meet the requirements with regard to gender-responsive performance management, gender-responsive auditing and the specific allocation of financial resources to support gender equality and women's empowerment. An IFAD-hosted meeting with the other RBAs identified a number of areas for increased synergy and coordination of reporting.

Figure 3

Comparison of IFAD's performance against the United Nations system and all Funds and Programmes as a whole: rating percentages by entity type



Source: UN Women (2013)

C. Outlook for 2013-2014

44. Building on the achievements of 2012-2013, highlights for 2013-2014 will include:
- Strengthening the IFAD gender architecture including developing three gender-related communities in IFAD, and the system of gender focal points;

⁵ Funds and Programmes: IFAD, IOM, ITC, UNAIDS, UNCDF, UNDP, UNFPA, UNHCR, UNICEF, UNOPS, UNRWA, UNV, UNW, WFP.

- Capacity-building through regional and subregional gender learning and sharing events, for IFAD staff, gender focal points, project staff and consultants regularly involved in operational support;
- Announcing the winners of the first IFAD Gender Awards, which have been launched by IFAD Management to recognize the best performing projects in addressing gender inequalities and empowering women in each region;
- Launching the corporate e-learning module on gender and diversity;
- Drafting the gender parity plan to improve gender balance among staff, especially at grade P-5 and above;
- Embedding commitments to gender equality and diversity in IFAD's core competency framework;
- Launching and updating of IFAD's revamped gender website and new communication tools;
- Enhancing the collection and interpretation of sex-disaggregated data at the outcome and impact levels, and developing indicators of women's empowerment;
- Promoting the use of household methodologies in the context of IFAD-supported initiatives to achieve sustainable development impacts.

ASAP operational progress and achievements

ASAP financing status

1. As at 1 October 2013, ASAP has the following financing status:

<i>Donor country</i>	<i>Currency</i>	<i>Pledge</i>	<i>US\$ equivalent at time of consultation</i>
Belgium	EUR	6 000 000	8 583 691
Canada	CAD	19 849 000	20 347 514
Netherlands	EUR	40 000 000	57 224 607
Sweden	SEK	30 000 000	4 729 027
UK actual	GBP	100 000 000	162 000 000
UK performance-based	GBP	47 500 000	76 950 000
Total			329 834 839

2. Additional contributions are currently being appraised by four potential donors.
3. As at 30 September 2013, US\$102.91 million have been programmed for ASAP-supported initiatives at country level.⁶ An additional US\$2,086,340 have been committed to ASAP design support, vulnerability analyses, knowledge management and communication activities.

ASAP programming status

4. ASAP commenced operations on 20 September 2012, with approval of the first ASAP-supported project by the IFAD Executive Board. New programme design activities were initiated upon receipt of new financing commitments by bilateral donors. Project cycle milestones for ASAP-supported projects which were presented for approval by the Executive Board are summarized in table 1. Table 2 summarizes adaptation actions that were proposed for ASAP financing in the 2013 pipeline. ASAP results projections to date are summarized in table 3.

ASAP knowledge management

5. ASAP has enabled IFAD to define a knowledge management strategy for climate change adaptation, which incorporates the delivery of staff training, knowledge products and knowledge partnerships.
- Staff training
6. Over the course of 2012, IFAD has trained 112 members of project design teams and staff from regional divisions, the Policy and Technical and Advisory Division, The Strategy and Knowledge Management Department and the Office of Partnership and Resource Mobilization on the basics of climate change adaptation and ASAP programming. Regular feedback sessions have taken place at Senior Management level (PDMT, OMC, OPV) to share updates about the programming status of ASAP and exchange lessons learned during ASAP-related programming.
7. Training activities related to the programming of climate and environmental finance have been introduced into IFAD's portfolio of corporate staff training courses. IFAD's training course on project design training now contains a case study with ASAP financing.

⁶ Project designs post Quality Assurance stage, proposed for approval by the Executive Board in 2012 and 2013.

ASAP-related knowledge products

<i>Title</i>	<i>Type</i>	<i>Year</i>
Adaptation for Smallholder Agriculture Programme (ASAP)	Brochure	2012
Annotated Project Design Report for ASAP-supported projects	IFAD template	2012
Monitoring and Evaluation Framework for ASAP	IFAD checklist	2012
Checklist for Country Programme Management Team (CPMT) Meetings of ASAP-supported projects	IFAD checklist	2012
Choosing indicators for Logical Frameworks in ASAP-supported projects – Guidance for Project Design	IFAD-internal 'How-to'- note	2012
Climate-smart Smallholder Agriculture: What's Different? IFAD Occasional paper no.3	IFAD Occasional Papers	2012
Nwanze, K.F. 2012. Surviving Climate Change Entails New Approaches to Agricultural Development. COP 18. <i>World News – Climate Change: The New Economy</i> , pp. 62-63.	Journal article	2012
Salman, R.A. 2012. Implement Policy Responses to Increase Climate Resilience. In D. Verner, ed. <i>Adaptation to a Changing Climate in the Arab Countries: A Case for Adaptation Governance in Building Climate Resilience</i> . MENA Development Report. MNA Flagship Report No. 64635. Washington, D.C.: World Bank.	Journal article	2012
Salman, R.A. 2012. Agriculture, Rural Livelihoods, and Food Security are Stressed in a Changing Climate. In D. Verner, ed. <i>Adaptation to a Changing Climate in the Arab Countries: A Case for Adaptation Governance in Building Climate Resilience</i> . MENA Development Report. MNA Flagship Report No. 64635. Washington, D.C.: World Bank.	Journal article	2012
Climate change and value chains: an IFAD "How-to" note	IFAD-internal 'How-to' note	2013 (in progress)
The Adaptation Advantage: The Economic Benefits of Preparing Small-Scale Farmers for Climate Change	Compilation of case studies	2013
Guidelines for Integrating Climate Change Adaptation and Mitigation Options for Fisheries and Aquaculture into Project Design	IFAD-internal 'How-to' note	2013
Adaptation in Practice, Vol.1: Increasing Adaptive Capacity through Participatory Mapping	Compilation of case studies	2013
ASAP-supported actions to strengthen women's empowerment and gender equality (2013)	Compilation of case studies	2013
What are ASAP funds being spent on? (2013)	Analysis of case studies	2013

Institutional partnerships established by IFAD to operationalize ASAP

<i>Institution</i>	<i>Focus of cooperation</i>	<i>Type of cooperation</i>
World Agroforestry Center (ICRAF)	Earth Observation and Remote sensing for ASAP baseline analysis and impact monitoring	Institutional contract
Climate Change, Agriculture and Food Security Programme of the Consultative Group for Agricultural Research (CGAR)	Referral of technical experts from the CGIAR Climate Change programme to ASAP investment designs; application of CGIAR tools for adaptation programming; supporting participatory research design in ASAP-supported projects; developing knowledge products for ASAP investment design; cofinancing of ASAP knowledge management activities	Fellowship of CCAFS staff in IFAD; Joint field missions
World Food Programme (WFP)	Exchanging earth observation and vulnerability information for ASAP investment designs	Peer-to-peer collaboration (to be formalized)
Food and Agriculture Organization of the United Nations (FAO)	Design support for ASAP-supported projects in Mali, Chad, Cote d'Ivoire, Kenya, Kyrgyzstan	Service contracts, based on MoU between IFAD and FAO

ASAP communications and advocacy

<i>Key achievements in ASAP-related advocacy and communications</i>	<i>Type</i>	<i>Date</i>
Media and event coverage (Coverage in a variety of international/national publications)	<ul style="list-style-type: none"> Press Release UNEP/IFAD - Smallholders, Food Security and Environment Press Statement – World Environment Day Video B-Roll for international broadcasters/World Environment Day Video B-Roll for international broadcasters/Burkina Faso ASAP feature Press Advisory – IPCC Report Joint Press Release –IFAD wins Momentum for Change Award for ASAP Opening Press Statement – UNFCCC (CoP19) International Press Release – Adaptation Advantage Report (CoP19) Press Conference at UNFCCC – Adaptation Advantage Report (CoP19) 	<p>June 13</p> <p>June 13 June 13 July 13 Sept 13 Oct 13 Nov 13 Nov 13 Nov 13</p>
Video products for web, TV and event broadcasting	<ul style="list-style-type: none"> ASAP animation to introduce the concept of smallholder adaptation Video B-Roll from ASAP in the Plurinational State of Bolivia, Burkina Faso, Mozambique Interview with Elwyn Grainger Jones for World Environment Day Climate impacts video – voice of smallholders from IFAD/ASAP-supported projects (Mozambique and Burkina Faso) Message to Warsaw video - voice of smallholders from IFAD/ASAP-supported projects (Mozambique and Burkina Faso) Momentum for Change 2013 Lighthouse Activity Video (CoP19) Co-production of TV show Shamba Shape-Up, broadcast to 13 million viewers, 70% of them farmers in Kenya, Uganda and Tanzania. Shows ASAP-promoted technology in a makeover show format (English/Swahili) ASAP Animation Awards Competition – Arts University Bournemouth enters competition to produce ASAP-related short animations 	<p>June 13</p> <p>July 13 June 13 Oct 13</p> <p>Oct 13</p> <p>Nov 13 Oct 13 (pre-prod.) Nov 13 (design)</p>
Web presence	<ul style="list-style-type: none"> Upgrading of ASAP project database (single template, regular updates) Series of web articles and blog posts after field missions to ASAP-supported projects in Mozambique, Burkina Faso and the Plurinational State of Bolivia Photos for IFAD's web-based photo database following field missions 	<p>Ongoing</p> <p>May-July 13 On-going</p>
Social media	<ul style="list-style-type: none"> Regular social media updates for Twitter and Facebook accompanying every ASAP-related event or story Production of at least two social media updates per week Live events – Web-streaming of climate lectures and other live events, accompanied by social media posts 	<p>Ongoing</p> <p>Ongoing Ongoing</p>
Events organized	<ul style="list-style-type: none"> Climate Change session at Global Donor platform for Rural Development (GDPRD), the Hague (with Sir Gordon Conway) Three events in a Climate Lecture Series – Sir Gordon Conway (Imperial College London), Jan Kees Vis (Unilever), Warren Evans (World Bank) World Environment Day – Information day for IFAD staff and visitors SA Embassy/RBA Agriculture, Food Security and Climate Change Discussion and Reception IFAD Executive Board Informal Seminar on ASAP 	<p>Jan 13</p> <p>June 13</p> <p>June 13 July 13</p> <p>Sept 13</p>
Events with speaking roles (presenting ASAP)	<ul style="list-style-type: none"> Climate Smart Agriculture Conference, Davis IIED Conference on Community-based Adaptation (CBA7), Bangladesh UNFCCC Climate talks, FAO Side Event, Bonn Climate change and Development for Africa Conference (CCDAIII), Addis IFAD Information Stand presenting ASAP (Committee on World Food Security 14, CoP19) Co-organized side event – How does climate change alter the way we manage food security? (Committee on World Food Security 40) Co-organized Side event - Climate Smart Agriculture (CoP19) Co-organized Discussion Forum – Food Security – GSF (Cop19) Co-organized Discussion Forum – Integrating Agriculture, Trees and Forests – Global Landscape Forum (CoP19) Co-organized Side Event – Climate Forecasting/Information (CoP19) 	<p>March 13</p> <p>April 13 June 13 Oct 13 Oct 13 Oct 13</p> <p>Nov 13 Nov 13 Nov 13 Nov 13</p>

Table 1
Programme design cycle of ASAP-supported projects presented to the IFAD Executive Board in 2013 (as at 1 October 2013)

Region	Country	Country financial terms	ASAP allocation	Blended multilateral grant	Grant type	IFAD Executive Board	IFAD associated loan	OSC date	QE date	QA date	Inception workshop	First disbursement	Thematic focus
APR	Bangladesh	HC	15	0	AG	Sep-13	Haor infrastructure and livelihood improvement project [I-847-BD]	15/11/12	19/04/13	28/06/13			Village protection to prevent flood damage; diversified food production and income-generating systems; capacity building on climate risk management; flash flood early warning system
APR	Viet Nam	HC	12	0	FB	Dec-13	Adaptation to climate change in the Mekong region	01/12/11	31/07/13	30/09/13			Combined rice/aquaculture systems, salinity monitoring and management in soil and groundwater; saline-tolerant catfish breeding; institutional capacity development
ESA	Mozambique	HC	4.91	0	FB	Sep-12	Pro-poor Value Chain Project in the Maputo and Limpopo Corridors (PROSUL) [I-878-MZ]	14/07/11	2012	2012	Feb-13	Jun-13	Climate change adaptation in value chains for irrigated horticulture, cassava and red meat; improved water management and irrigation; strengthening of the weather station network; community based natural resource management plans; pest and disease monitoring
ESA	Rwanda	DSF/HC	7	0	FB	Dec-13	Post-harvest Agribusiness Support Project	27/06/13	30/09/13	01/10/13			Climate-resilient post-harvest processing and storage for maize, cassava, beans, potatoes and dairy value chains; Improvement of climate information services and storage building codes
LAC	Bolivia (Plurinational State of)	Blend	10	0	AG	Dec-13	Economic Inclusion programme for families and rural communities in the territory of the Plurinational State of Bolivia [I-858-BO]	10/01/13	19/07/13	N/A			Take inventory of indigenous adaptation knowledge; community-based natural resource management at landscape-level; climate information management; Competitions for community-based adaptation

LAC	Nicaragua	DHC	8	0	FB	Dec-13	NICADAPTA Adaptation to changes in markets and effects of Climate Change	26/07/12	06/05/13	10/13			Sustainable water resource management, agricultural diversification and strengthening of meteorological services in coffee and cocoa value chains
NEN	Yemen	D	10	10 (LDCF)	FB	Dec-13	Rural growth programme	08/06/12	10/06/13	20/09/13			Integrated watershed management; water conservation in drought prone areas; rehabilitation and improvement of rural feeder roads; diversifying energy systems in rural areas
NEN	Djibouti	HC	6	0	FB	Dec-13	Programme to reduce vulnerability in coastal fishing areas	20/12/12	30/04/13	13/09/13			Reducing climate risks in fisheries value chains; participatory management of coastal resources; protection of coastal infrastructure; improved post-harvest cooling and storage; improving access to freshwater for fisheries value chains; protection of coastal mangrove ecosystems and coral reefs
NEN	Kyrgyzstan	DHC	10	0	FB	Dec-13	Livestock and Market Resilience Project	30/05/13	28/09/13	10/13			Protection of livestock from climate- related disasters and diseases; community-based management and restoration of degraded pastures and rangelands; climate-resilient dairy value chain; early warning systems
WCA	Nigeria	HC	15	0	FB	Dec-13	Inclusive Growth for Smallholder farmers in staple crop process zones in Nigeria	22/03/13	24/07/13	27/09/13			Integration of climate risk management into rural agribusiness value chains; improving rural roads to harvest excess runoff and prevent flood damage; improving access to diversified, renewable energy sources
WCA	Mali	DHC	10	0	AG	Dec-13	Fostering agricultural productivity project [I-813- ML]	23/01/13	02/08/13	N/A			Increased ecosystem and smallholder resilience through farmers' access to renewable energy technologies, diversified farming activities and innovative financial services
ASAP financing programmed in reporting period			108										

Table 2
Adaptation activities proposed by ASAP-supported projects in 2012 and 2013
(as per September 2013 documentation)

<i>Type of climate change adaptation investments</i>	<i>Countries with corresponding ASAP investment activities</i>
AGRICULTURAL PRODUCTION	
Spreading and reducing climate-related risks through agricultural diversification strategies	
• Diversification of agricultural crops (e.g. mixed staple crop/horticulture systems, mixed cash crop/agroforestry systems, etc.)	Mozambique, Nicaragua, Nepal
• Expanding crop-based agricultural production systems with additional income options (e.g. mixed crop/aquaculture systems, mixed crop/livestock systems)	Bangladesh, Chad, Kyrgyzstan, Nepal, Mozambique, Viet Nam, Yemen
• Testing and adoption of heat-/salinity-/submergence- tolerant crop or livestock varieties	Bangladesh, Viet Nam
Avoiding losses in production from climate-related pests and diseases	
• Establishing early warning systems for climate-related pests and diseases	Mozambique, Nicaragua
• Protecting crops from climate-related pests and diseases (e.g. through push-pull methods, integrated pest management)	Mozambique
• Protecting livestock from climate-related pests and diseases (e.g. through additional vaccines, testing, better climate information)	Kyrgyzstan, Lesotho, Mozambique
Rehabilitating and protecting soils from growing water stress and erosion	
• Conservation agriculture (reduced/zero tillage)	Ghana, Mozambique
• Adoption of agroforestry practices to improve soil quality (e.g. through the use of fertilizer trees, wind breaks, hedge rows)	Ghana, Nepal
• Improved livestock management to enable soil regeneration	Kyrgyzstan, Lesotho, Mozambique
• Regeneration of degraded lands through better erosion control (contour bunds, terracing, slope stabilization, etc.)	Lesotho, Mali, Nigeria, Nepal, Yemen
Protecting productive lands and facilities from extreme climate events	
• Creation of buffer zones to protect agricultural land and production infrastructure from extreme events (e.g. through wetlands, greenbelts, flood recession schemes)	Djibouti, Ghana

<ul style="list-style-type: none"> Improving infrastructure to protect agricultural production from extreme events (e.g. safe havens for livestock, elevated greenhouses, reinforced stables, etc.) 	Kyrgyzstan, Lesotho, Nigeria
Improving management of water resources to counter growing risk of water shortages	
<ul style="list-style-type: none"> Improving the reach and efficiency of irrigation systems (e.g. through expansion of irrigation to rain-fed areas; drip irrigation, runoff harvesting) 	Ghana, Mali, Mozambique, Nigeria, Viet Nam, Yemen
<ul style="list-style-type: none"> Adopting freshwater conservation measures (e.g. demand-side management, shade-cloths/shade-plants, preventive maintenance to improve water flows) 	Chad, Djibouti, Mozambique, Nicaragua
<ul style="list-style-type: none"> Increasing water production and storage capacity (e.g. through communal reservoirs, rainwater harvesting, check dams, etc.) 	Chad, Mozambique, Nicaragua, Viet Nam, Yemen
<ul style="list-style-type: none"> Promotion of water-efficient horticulture systems 	Chad, Mozambique
Enhancing and diversifying access to clean energy sources for agricultural production	
<ul style="list-style-type: none"> Transfer of renewable energy technologies (e.g. biogas, solar pumping) to increase environmental sustainability and economic efficiency 	Plurinational State of Bolivia, Mali, Mozambique, Rwanda, Yemen
Providing better climate information to help farmers be better prepared for shocks and stresses	
<ul style="list-style-type: none"> Broader dissemination of weather information to enable better choices in the type, timing and location of agricultural practices 	Plurinational State of Bolivia, Rwanda
<ul style="list-style-type: none"> Improving the quality of seasonal weather forecasts to enable better crop choices 	Lesotho
<ul style="list-style-type: none"> Analysis of climate models for improved policy and scenario-planning 	Kyrgyzstan, Lesotho, Mozambique
<ul style="list-style-type: none"> Installation of early warning systems for climate-related hazards (e.g. flash floods, salinity intrusions, pests and diseases) 	Bangladesh, Plurinational State of Bolivia, Lesotho, Nicaragua, Viet Nam
Making financial services available for climate risk management and transfer	
<ul style="list-style-type: none"> Appraisal and piloting of weather index insurance schemes 	
<ul style="list-style-type: none"> Establishing small grant programmes for farmer innovation, climate risk management and disaster risk reduction 	Plurinational State of Bolivia, Mozambique, Rwanda
<ul style="list-style-type: none"> Establishing small business support schemes to incentivize climate risk management activities (e.g. subsidized loans, business planning support) 	Ghana, Mozambique, Nigeria, Rwanda

Strengthening the skills base of local institutions to analyze and tackle climate risks in agricultural production	
• Establishing institutional processes for participatory climate risk and vulnerability analysis	Bangladesh, Lesotho, Mali, Nepal, Nigeria, Viet Nam
• Taking inventory and transferring indigenous options for climate risk management	Plurinational State of Bolivia
• Supporting the development of risk management plans at landscape level (e.g. for watersheds, rangelands)	Plurinational State of Bolivia, Kyrgyzstan, Lesotho, Mali, Mozambique, Nigeria
• Increasing policy dialogue on climate risk management issues and connecting smallholder organizations with the policy process	Bangladesh, Djibouti, Lesotho, Mali, Mozambique, Viet Nam
• Establishing structures for participatory and applied research at community level (e.g. through crop trials, study routes, farmer field schools)	Cambodia, Lesotho, Mozambique, Viet Nam
• Strengthening extension services with access to additional know-how, technologies and information systems	Cambodia, Lesotho, Mozambique, Nigeria
• Introducing climate risk management approaches into educational curricula (such as farmer field schools, extension trainings, university courses)	Cambodia, Ghana, Kyrgyzstan, Lesotho, Mozambique, Nigeria
• Training community groups and local institutions on climate change and climate risk management issues	Chad, Ghana, Kyrgyzstan, Lesotho, Mali, Nigeria, Rwanda, Viet Nam
• Training policy makers and government institutions on climate change and climate risk management issues	Mozambique, Viet Nam
• Incentivizing participation of women in climate risk appraisal and management activities	Mozambique, Yemen
• Establishing structures to mediate conflicts over climate-sensitive natural resources	
POST-HARVEST PROCESSING & STORAGE	
Protecting processing and storage infrastructure from extreme climate events	
• Designing and applying revised building codes to protect processing infrastructure in hazard-prone areas	Bangladesh, Rwanda
• Improved land-use planning to avoid damage of processing and storage infrastructure (e.g. slaughter houses, milk processing centers, processing centers) from extreme events	Lesotho, Mozambique

<ul style="list-style-type: none"> Improving water availability during dry periods through water harvesting and storage (e.g. rainwater harvesting, fog harvesting, reservoir management) 	Chad, Rwanda
Increasing storage opportunities to buffer against climatic and economic variability	
<ul style="list-style-type: none"> Rehabilitating, improving or expanding existing storage facilities (e.g. improved storage for seeds, food and forage; better cooling for dairy and fish produce) 	Chad, Djibouti, Rwanda
<ul style="list-style-type: none"> Introducing new or alternative storage options 	Rwanda
Promoting clean production technologies to reduce human impact on climate-sensitive ecosystems	
<ul style="list-style-type: none"> Introduction of energy-efficient processing and storage technologies (e.g. solar heating, solar-cooling, -drying, -milling, -lighting, solar PV, energy-saving appliances) 	Kyrgyzstan, Nigeria, Rwanda
<ul style="list-style-type: none"> Implementing pollution control measures (e.g. in cassava processing) to reduce human-induced stress on climate-constrained resources 	Mozambique
<ul style="list-style-type: none"> Increasing resource efficiency and reducing post-harvest losses through the reduction of waste and the re-use and recycling of by-products 	–
ACCESS TO MARKETS	
Protecting market access infrastructure from extreme climate events	
<ul style="list-style-type: none"> Analyzing exposure of critical market infrastructure (such as feeder roads, market facilities) to floods, storms, landslides and erosion 	Djibouti
<ul style="list-style-type: none"> Upgrading and reinforcing existing market access infrastructure (e.g. strengthening road surfaces; improving road drainage; reinforcing landing docks and jetties) 	Bangladesh, Djibouti, Nigeria, Yemen
<ul style="list-style-type: none"> Building protective infrastructure to mitigate interruptions of transport routes (e.g. through slope/river bank stabilization, retaining walls, dykes, coastal engineering) 	Bangladesh
<ul style="list-style-type: none"> Relocating new infrastructure to reduce exposure from climate-related hazards 	

Table 3
ASAP results projections from ASAP-supported projects designed in 2012 and 2013 (aggregated from 11 Project Design Reports at Quality Assurance)

ASAP RESULTS HIERARCHY	ASAP RESULTS AT GLOBAL PORTFOLIO LEVEL	PORTFLIO RESULTS INDICATORS	2020 TARGET	PROGRAMMED TO DATE ^a
Goal	Poor smallholder farmers are more resilient to climate change	1. Number of poor smallholder household members whose climate resilience has been increased	8 million	2, 311,772 household members plus 3,030,000 receiving improved climate information ^b
Purpose	Multiple-benefit adaptation approaches for poor smallholder farmers are scaled up	2. Percentage of new investments in ENRM in IFAD9 compared to IFAD8	20 per cent ^c	To be aggregated across IFAD investment portfolio at the end of IFAD9 (2015)
		3. Leverage ratio of ASAP grants versus non-ASAP financing	1:4	1:5.7
		4. Percentage of extent of land and ecosystem degradation in productive landscapes	minus 30 per cent	Impacts to be aggregated across the global ASAP portfolio (projections in 2015, actual impacts in 2020)
		5. Number of tonnes of GHG emissions (CO ₂ e) avoided and/or sequestered	80 million	Impacts to be aggregated across the global ASAP portfolio (projections in 2015, actual impacts in 2020)
Outcome 1	Improved land management and gender-sensitive climate resilient agricultural practices and technologies	6. Number of hectares of land managed under climate-resilient practices	1 million hectares	279,786 hectares plus 15 watersheds ^d
Outcome 2	Increased availability of water and efficiency of water use for smallholder agriculture production and processing	7. Number of households, production and processing facilities with increased water availability	100,000 households	12,000 households plus 31 production and processing facilities
Outcome 3	Increased human capacity to manage short- and long-term climate risks and reduce losses from weather-related disasters	8. Number of individuals (including women), community groups and institutions engaged in climate risk management, ENRM or DRR activities	1,200 groups	954,443 individuals plus 805 community groups plus 1,089 institutions

Outcome 4	Rural infrastructure made climate-resilient	9. Dollar value of new or existing rural infrastructure made climate-resilient	US\$80 million	US\$85 million plus 396 villages ^e plus 494 kilometers of rural roads ^e
Outcome 5	Knowledge on Climate Smart Smallholder Agriculture documented and disseminated	10. Number of international and country dialogues on climate issues where ASAP-supported projects or project partners make an active contribution	40 dialogues	27 dialogues Plus 30 knowledge products and publications

^a Aggregated from quantitative targets formulated in the Logical Frameworks of 11 ASAP-supported projects. Excludes targets formulated as percentage improvements relative to still unknown baseline values; qualitative targets which cannot be aggregated into any ASAP portfolio-level results indicator; and quantitative indicators with target values that have yet to be established by participatory processes.

^b Includes individuals receiving new or improved weather forecasts, agro-meteorological forecasts, seasonal forecasts or early warning information.

^c Baseline value for IFAD8 aggregates project investments which are coded in IFAD's project portfolio management system (PPMS) under 11 ENRM-related sub-component types. Excludes ENRM investments coded with individual names outside of these sub-component types. Also excludes ENRM-related cofinancing from non-IFAD sources (e.g. GEF, LDCF, SCCF, Adaptation Fund)

^d To be converted into hectares ex post (i.e. once the geographic extent of target watersheds has been ascertained by project teams).

^e To be converted into United States dollars ex post (i.e. once the financial value of climate-proofed infrastructure has been ascertained by project teams).

Consolidated Action Plan to Enhance Operational and Institutional Efficiency

	<i>CLEE recommendation/action</i>	<i>Timeline and indicative cost</i>
	CLEE recommendation 1: Scaling up of high impact, innovative approaches emerging out of IFAD-supported projects and programmes should become the objectives of IFAD's business model	
	Increase strategic selectivity	
1	Prepare a paper outlining various options for country selectivity for consideration by the Executive Board.	September 2014 Executive Board session No incremental costs
	Increase in-house technical expertise and reduce dependence on consultants	
2	Develop a grant programme to enhance strategic partnerships with FAO and CGIAR to provide technical assistance to fragile and weakly performing borrowing countries and to increase the production and management of knowledge	Beginning early 2014 Grant-funded
3	Help build national technical capacity by drawing on the growing skilled labour force in borrowing member countries	Beginning early 2014 (long-term efficiency gain)
4	Expand, as warranted, ICOs and strengthen their capacity by recruiting country programme officers and assistants	2014-2015 US\$250,000 recurrent (not including CFS)
5	Rationalize the use of consultants by recruiting additional specialist staff in PTA, to increase in-house technical capacity for providing field support during project design and supervision	2013-2015 US\$1.65 million, of which US\$1.1 million absorbed in the regular budget leaving a net incremental requirement of US\$550,000
	Balance the workload among CPMs	
6	Develop a more robust database with a management dashboard showing the status of the programme of work as a tool for workload analysis	2014-2015 US\$300,000 capital ICT costs; US\$100,000 recurrent costs
7	Monitor CPM workloads using multiple factors (design, supervision, policy dialogue, etc.) and redistribute workload as necessary, through staff recruitment, rotation, country redistribution, etc.	Starting in 2013, and continuing as part of the annual strategic workforce planning exercise
	Implement a more differentiated allocation of resources and increase customization to country needs	
8	Focus administrative budget allocations to increase support to projects facing potential or actual risks (need-based differentiated allocation of resources)	2014-2016
9	Develop and implement more responsive instruments for MICs	Ongoing US\$250,000 adjustment costs
	Aim for better integration between lending and non-lending activities	
	Knowledge management and grants strategy	
10	Implement the KM framework and plan, including incentives for staff participation	Starting end-2013 US\$250,000 adjustment costs
11	Conduct, synthesize and report on up to 30 impact evaluations	End-2014; number will depend on available internal resources No cost implications
12	Revise internal guidelines to enhance the strategic orientation of IFAD's annual grant work plan for 2014-2015	Mid-2013 to early 2014
13	Review and update IFAD's grants policy, strategy and procedures	End-2014 to mid-2015
14	Upgrade the corporate management information system on projects (PPMS) to include information on stand-alone grants	End-2013 No additional costs
	Policy dialogue	
15	Implement the action plan for CLPD prepared by PTA, including preparation of the first policy brief, active support to CPMs, and preparation of 4-5 country briefs per year	Ongoing; review of progress and impact by end-2015
	Results-based country strategic opportunities programmes	
16	Review and update IFAD's RB-COSOP guidelines, including the criteria for deciding when an RB-COSOP is required, e.g. in small country programmes	Completed by mid-2014 US\$100,000 adjustment costs (for consultants)

Streamline operational processes		
Quality enhancement and quality assurance processes		
17	Revise the QE process	Major reforms already in place (2013); fine-tuning 2014-2015
18	Revise the QA process; early engagement of staff may involve travel	Revisions being finalized (2013); fine-tuning to continue US\$350,000 recurrent additional travel expenses
Project supervision and financial management		
19	Issue revised guidelines for project supervision that incorporate the recommendations made in CLEE and the corporate-level evaluation of supervision	By 31 March 2014
20	Implement reforms to enhance the quality of financial management in projects, such as introduction of risk-based methodologies, increased reliance on country systems and capacity-building in financial management for project staff and IFAD's workforce	End-2014 Capital and recurrent costs can be absorbed into existing budgets
21	Replace the LGS with a new, modern web-enabled platform, to create a strong foundation for subsequently developing a borrower self-service portal that supports electronic disbursements	2014-2015 Recurrent costs of US\$3 million, including depreciation in 2014, growing to US\$4.5 million to support decentralized operations
22	Scale up the Nairobi disbursement processing unit to an interregional decentralized hub servicing Western and Central, Eastern and Southern, and Northeast and Near African countries, by gradually shifting additional loan administration tasks from Rome to the Nairobi unit	In progress; completion by end-2014
Accounting and financial reporting		
23	Provide an enabling environment to support extension of decentralized country offices by implementing a financial accountability framework for decentralized operations in ICOs and enabling access to financial systems	30 September 2014
24	Enhance system automation and business processes to achieve both reporting accuracy and resource monitoring effectiveness, as well as process simplification	End-2014 One-time cost implications shown as a consolidated process improvement
Enhance staff skills and productivity		
25	Intensify staff training programmes in project supervision, financial management, etc.	Ongoing; will be intensified in future US\$500,000 consolidated incremental recurrent costs
26	Make relevant knowledge products available to frontline staff, such as CPMs, in easily accessible formats	Ongoing; will be intensified in future
27	Intensify staff training programmes for topics such as project supervision and financial administration, etc.	On-going but will be intensified in future.
CLEE recommendation 2: Articulate and implement a clear vision for country presence and how IFAD would operate in a decentralized environment		
28	Prepare and submit for Board approval a review of IFAD's Country Presence Policy and Strategy	December 2013 US\$1.75 million one-time adjustment cost for setting up and administering ICOs
CLEE recommendation 3: Manage oversight and support units, including critical ICT functions, with a clear focus on increasing service quality and cost-efficiency		
Improve business processes		
29	Develop efficiency indicators and benchmarks for key business processes to facilitate the identification of opportunities for process streamlining and cost saving	Proposals by mid-2014
29 a	Review and change key business processes to enhance efficiency	End-2014 US\$300,000 one-time adjustment cost
30	Delegate procurement authority to division directors for conducting low-value procurement of up to €10,000 and related changes in workflow	Mid-2014 US\$300,000 capital costs absorbed under existing 2013 capital project

31	Further streamline travel processing, including making the necessary adjustments to the ERP system	Completion by end-2014 US\$300,000 capital costs
32	Streamline the Corporate Procurement Guidelines to enhance administrative efficiency by eliminating transactional steps for low-value and low-risk purchases	Completion by mid-2014
Increase application of information and communications technology		
33	Integrate the core IT platforms (Oracle-PeopleSoft ERP, Agile Open Source and Microsoft)	2013-2015 US\$200,000 capital costs
34	Upgrade IFAD's software systems to enable more effective and efficient administrative support of ICOs	Completion by end-2015 US\$900,000 capital costs US\$200,000 recurrent costs
35	Implement ICT systems to support IFAD's operational monitoring and evaluation processes	Completion by 2015 US\$700,000 capital costs US\$100,000 recurrent costs
36	Implement mobile technologies to allow access to IFAD systems on the move via a range of devices including smart phones and tablets	Pilot 2013; development 2014-2015 US\$100,000 capital costs
37	Develop business intelligence solutions to provide relevant management information to support business decisions	Completion by 2015 US\$375,000 capital costs US\$200,000 recurrent costs
38	Introduce GRIPS, retire PPMS and reconfigure existing systems that rely on PPMS	End-2013 US\$375,000 capital costs
39	Upgrade the Operations Dashboard to accommodate new business imperatives, using information from GRIPS and Flexcube	End-2014 Costs absorbed in previous action
CLEE recommendation 4: Better manage scarce budgetary resources towards high-quality results		
40	Augment capacity in the central budget function; a Director of BOD will be recruited, reporting to the Vice-President of IFAD	Recruitment under way
41	Strengthen the mid-year review and optimize the budget reallocation process	Ongoing
42	Study the possibility of automating quarterly budget monitoring and sharing	By end-2014 Recurrent costs absorbed in existing staff resources
CLEE recommendation 5: Manage strategically the skills composition, cost and performance of the workforce		
43	Refine the strategic workforce planning exercise in 2014 (and successive years), to ensure that IFAD has the requisite workforce in terms of headcount, competencies and skills to enable it to deliver on the key strategic objectives of IFAD9, 2013-2015	Ongoing
44	Develop and implement a job titling and job family system for IFAD, as a follow-up to the job audit exercise	December 2013
45	Implement a new rewards and recognition framework, taking into account best practices for talent and rewards management that include monetary and non-monetary rewards	January 2014 Included in the regular budget increase
46	Strengthen the performance management system to provide managers with the tools to recognize excellent performance and to motivate staff to achieve continuously stronger results	December 2014
47	Follow up on the 2012 Global Staff Survey to address key staff concerns	December 2013
CLEE recommendation 7: Instil an institutional culture of accountability and performance, and strengthen reporting for results		
48	Revise the IFAD accountability framework to incorporate CLEE recommendations	Completion by end-2014
49	Define delegation of authority to address CLEE recommendations	End-2014
50	Improve the data and information base for IFAD's Results Measurement Framework	Continuous