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Investing in rural people

IFAD at the Midterm of the Eleventh Replenishment

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Consultation on the Twelfth Replenishment of IFAD's Resources —
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For: Review

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Abbreviations and acronyms

ABC Fund	Agribusiness Capital Fund
Agenda 2030	2030 Agenda for Sustainable Development
APR	Asia and the Pacific Division
CCDP	Coastal Community Development Project
CDI	Change, Delivery and Innovation Unit
CPL	concessional partner loan
COSOP	country strategic opportunities programme
DEF	Development Effectiveness Framework
DSF	Debt Sustainability Framework
ESA	East and Southern Africa Division
FAO	Food and Agriculture Organization of the United Nations
FIPS	Faster Implementation for Project Start-up
GCF	Green Climate Fund
HHMs	Household Methodologies
HTDNs	How to Do Notes
ICT	Information and Communication Technology
ICT4D	Information and Communication Technology for Development
IFIs	international financial institutions
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean Division
LICs	low-income countries
LMICs	lower-middle-income countries
M&E	monitoring and evaluation
MDB	multilateral development bank
MOPAN	Multilateral Organization Performance Assessment Network
MTR	Midterm Review
NDCs	nationally determined contributions
NEN	Near East, North Africa and Europe Division
OECD	Organisation for Economic Co-operation and Development
ODA	official development assistance
OPR	Operational Policy and Results Division
ORMS	Operational Results Management System
PBAS	performance-based allocation system
PMD	Programme Management Department
PoLG	programme of loans and grants
PoW	programme of work
PRiME	Program in Rural Monitoring and Evaluation
PSR	project status report
PSS	Private Sector Engagement Strategy
PwD	persons with disabilities
RBA	Rome-based agencies
RBL	results-based lending
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Management Framework
RTA	reimbursable technical assistance
SDG	Sustainable Development Goal
SH/SEA	Sexual Harassment, Sexual Exploitation and Abuse
SSTC	South-South and Triangular Cooperation
UCCs	Unrestricted Complementary Contributions
UMICs	upper-middle-income countries
WCA	West and Central Africa Division

Executive summary

I. Vision: Achieving IFAD's mission in a changing global context

1. IFAD's vision is to support vibrant, inclusive and sustainable rural economies where people live free from poverty and hunger. Its mission is to transform rural economies and food systems by making them more inclusive, productive, resilient and sustainable. IFAD's demonstrated comparative advantage is its ability and commitment to reach the last mile: to work in the remotest areas with the most vulnerable people who risk being left behind.
2. At the end of the Tenth Replenishment of IFAD's Resources (IFAD10) cycle, the Fund had demonstrated that it could deliver on its core mandate and the strategic objectives set in its Strategic Framework (2016-2025), and achieve significant impact. Some 62 million people reported increased economic mobility, 47 million improved production, 50 million improved market access and 26 million improved resilience. These results not only exceeded the impact targets set for the IFAD10 cycle, but also provided the reassurance that IFAD was making a significant contribution to the Sustainable Development Goals (SDGs).
3. While recent decades have seen progress in reducing poverty and hunger, four challenges have emerged since the time of the IFAD10 Midterm Review that reinforce the relevance of IFAD's mandate and vision. These are an increased concentration of rural poverty, rising levels of food insecurity over the past three years, increasing fragility and rising levels of debt distress in the countries left furthest behind. IFAD recognizes that with just a decade left to the 2030 Agenda for Sustainable Development (Agenda 2030), it is even more critical that its programme of loans and grants (PoLG) is delivered efficiently and that rural transformation is sustainable.

II. Ambition: Responding through an enhanced business model


4. To scale up its impact and maximize its contribution to the SDGs, IFAD introduced a new business model for IFAD11. The business model put results and impact at the centre of IFAD's way of working and initiated a series of reforms to sharpen IFAD's value proposition and increase its ability to respond to the global context.
5. The business model forms the base of the IFAD11 theory of change and its realization required significant changes to policies, systems, capacities and culture. It set out to build on knowledge generated over 40 years of operations and consolidate initiatives that began in IFAD10. It also proposed new areas and ways of working, and launched a series of actions to deliver on the IFAD11 ambition of maximizing impact.
6. This report serves as a Midterm Review of the implementation of the IFAD11 business model. It finds that progress has been made against commitments made in IFAD11, and against the Results Management Framework (RMF) which helps to report and monitor on the business model and theory of change. However, implementation has also highlighted areas where further efforts are required and gaps that IFAD must address in order to complete the remaining two-thirds of IFAD11, plan for IFAD12 and define a longer-term vision (IFAD 2.0).
7. IFAD made 14 commitments with 50 specific monitorable actions that, taken together provide the structural foundations to the four pillars of the business model
 - (i) Resource mobilization: Expand both the PoLG and programme of work (PoW) through core and borrowed resources, and by mobilizing more cofinancing.

- (ii) Resource allocation: Ensure that resources reach the poorest people and the poorest countries by consolidating operations into fewer, larger projects in countries with the greatest needs. Target interventions at those most at risk of being left behind.
- (iii) Resource utilization: Adopt a programmatic approach at the country level under which IFAD would provide a holistic and tailored package of support to partner countries based on their needs and demands.
- (iv) Transforming resources: Make the organization fit-for-purpose to deliver on the first three pillars of the business model by changing the approach and culture of the organization and its stakeholders.


III.Actions: Progress in implementing the business model

8. Through the IFAD11 commitments, and initiatives undertaken in IFAD10 and the first year of IFAD11, the Fund is well positioned against the targets set in the IFAD11 RMF. IFAD has delivered 75 per cent of the commitments (37 out of 50). The following sections provide a high-level summary of progress and areas for further attention under each of the four pillars.


Resource mobilization:
Assembling development finance
to maximize impact



Resources



Co-financing



Private sector

Progress:
50% delivered

9. **Expanding the PoLG.**¹ Declining trends in official development assistance (ODA) have led to a levelling off in core contributions in the current and previous replenishment cycles. Nonetheless, the ambition of IFAD and its Member States to deliver impact at scale is growing. In order to match this increasing ambition with adequate resources, IFAD has been integrating borrowing into its financial strategy. In IFAD11, a new instrument – the concessional partner loan (CPL) – was launched to expand contributions outside IFAD’s core contributions. The groundwork is also being laid to secure a credit rating that would allow IFAD to further expand its borrowing in order to grow its PoLG.
10. **Expanding the PoW.**² Mobilizing cofinanced resources, particularly domestic cofinancing, is a pillar of the IFAD11 business model. A cofinancing strategy and action plan have therefore been approved and put in place. Progress has been made on the overall 2019 cofinancing ratio (1:2.05) against the IFAD11 target of 1:1.14 and improvements have been made with respect to IFAD10 (1:0.85). To expand the PoW, the role of the private sector is becoming increasingly important. IFAD’s updated Private Sector Engagement Strategy (PSS) has enabled it to engage with the private sector through innovative models such as the Agribusiness Capital (ABC) Fund, though private sector engagement also creates a series of new challenges in terms of capabilities, systems and processes.
11. **Priorities and challenges.** Despite the progress in 2019, IFAD needs to work with Member States on ensuring that the bedrock of the financial model – core resources – keeps pace with increasing ambitions, global challenges and the Fund’s core mandate of channelling resources to countries with the greatest needs. To supplement core resources, expand the PoLG and cater to demand, IFAD needs to continue improving its financial architecture to equip it for further borrowing. To achieve its vision of becoming an assembler of finance, IFAD will need to continue

¹ PoLG is the sum of all IFAD financing for investment and grant projects.

² PoW is the sum of all financing, including cofinancing.

proactivity mobilizing domestic and international resources and working with the private sector.

Resource allocation:

Focus on the poorest people
on the poorest countries



Countries



Resources
and vehicles



Beneficiaries

Progress:

80% delivered

12. **Optimizing resource allocation.** Core resource allocations are in line with the targets for IFAD11. This translates into fewer but larger operations in countries in greatest need; 53 per cent of core resources allocated to low-income countries (LICs), 37 per cent to lower-middle-income countries (LMICS) and 10 per cent to upper-middle-income countries (UMICS). Twenty-five per cent of resources are being channelled to countries with fragile situations. Overall, 80 countries were selected to access IFAD11 resources compared to 102 in IFAD10. Average IFAD financing per project has risen to US\$40 million from US\$31 million in IFAD10 and US\$28 million in IFAD9.
13. **Reaching the poorest and more vulnerable.** As a result of this selectivity, more resources were channelled to countries with greater needs (i.e. experiencing fragility, climate vulnerability and food insecurity, and most at risk of being left behind). Some countries saw increases in allocations of over 150 per cent.
14. **Priorities and challenges.** While IFAD11 allocations have been made thoughtfully and are well targeted, efforts are ongoing to implement the revised targeting guidelines to ensure greater precision in targeting within countries and reach the communities that are most vulnerable and most at risk of being left behind. Close attention will also need to be paid to ensure that the increased allocations are adequately matched with absorptive capacity and that the quality of projects remains high.

Resource utilization:

Doing development differently



Instruments



Focus



Design

Progress:

84% delivered

15. **Doing development differently.** To do development differently, IFAD adopted a programmatic approach through the Transition Framework to provide a holistic and tailored package of support to partner countries. IFAD has been agile in using the IFAD11 PoLG to respond to country needs and demands by delivering a large volume of the PoLG (US\$1.67 billion in 2019) with a reduction in delivery time (to 10 months from 18 months in 2016). New products are also being piloted to respond to countries' needs, including two planned regional lending operations and three results-based lending operations. Operations in 2019 also embed, at design, IFAD's commitments with respect to climate, gender, nutrition and youth, with progress being made towards the IFAD11 targets.
16. At the same time, improving the quality of the portfolio under implementation is and will remain at the heart of IFAD's operational efforts. Proactive responses have increased, and actual problem projects are down to 13 per cent in 2019 from 20 per cent in 2016. Impact at completion has been positive, although weak implementation capacity in certain contexts has hampered project-level efficiency. Based on findings regarding the key drivers of efficiency and sustainability in recent annual reports on results and impact of IFAD operations (ARRIs), initiatives and reforms have been introduced to provide additional support at an early stage through the new Faster Implementation for Project Start-up (FIPS) facilities, and

during implementation through the introduction of the disbursement action plan and project restructuring policy.

17. **Priorities and challenges.** Performance indicators for 2019 show improvements over baselines. Nonetheless, proactive portfolio management requires continuous monitoring, especially given the expanding PoW under implementation in fragile situations and countries with weaker institutional capacity. New initiatives introduced under IFAD11 need to be monitored and fully rolled out to address persistent problems affecting efficiency and sustainability.

Transforming resources:
Embracing a culture of results
and innovation



Supervision



Data



Transparency

Progress:
70% delivered

18. **Making the organization fit-for-purpose.** To do development differently, IFAD needed to operate differently. At the heart of IFAD's ambitious reform agenda is decentralization of operational staff and an overall organizational realignment. IFAD has doubled its decentralization, moving from 15 to 30 per cent of staff now in the field. Decentralization has been accompanied by new ways of working including shared cross-departmental responsibilities, a revised delegation of authority framework and realignment at headquarters to service the decentralized structure. Changes also needed to be made to IT systems to ensure a fully connected global organization.
19. **Priorities and challenges.** Doing development differently also requires changes to behaviour, culture and practices. At the end of the first year of IFAD11, significant progress has been made in laying the foundations for a change in institutional culture through revised procedures, processes, policies and systems. However, changing behaviours is a continuous and challenging process. Through the reforms, IFAD has created the necessary environment for cultural shifts to take place within the organization and to encourage such changes in partner countries: an important step in ensuring longer-term systemic change.

IV. Learning: Bridging the gaps for IFAD11 and looking ahead to IFAD12

20. The IFAD11 Midterm Review provides an opportunity to take stock of progress in implementing the business model, assess performance, and identify gaps that remain outstanding and need to be addressed through the IFAD11 cycle and in the mid-to-long term through IFAD12 and IFAD 2.0.
21. For the remainder of IFAD11, IFAD needs to focus on delivering the rest of the PoLG with the same agility, while ensuring that projects fully respond to the commitments made for gender, climate, nutrition and youth. Proactive portfolio management must also remain a core focus, to ensure quality during implementation and maximize development impact. In order to do so effectively, the Fund needs to fine-tune the decentralized hub model and reflect on the lessons learned during the first year of implementation. It also needs to address the challenges discussed above in each area of the business model.
22. In preparation for IFAD12, the Fund needs to fully implement the recommendations emerging from the important assessments conducted on the financial architecture, risk management, work force skills and capacities, and the business process review. The new areas of work envisaged under IFAD 2.0 will require further institutional reconfiguration, matched by adequate human and financial resources.

IFAD at the Midterm of the Eleventh Replenishment

I. Introduction

1. The year 2018 marked IFAD's fortieth anniversary and a shift in its way of doing business so as to respond to the large and pressing challenges posed by the Sustainable Development Goals (SDGs). IFAD proposed a business model aimed at putting results and impact at the centre of its way of working, and a series of initiatives to enable it to better respond to the global context, given the short time remaining until 2030.
2. The IFAD11 business model set out to build on the knowledge generated during the previous 40 years of IFAD's work, consolidate initiatives started in IFAD10, propose new areas and ways of working, and set in motion a series of actions to deliver on the IFAD11 ambition of maximizing its impact on rural poverty and hunger.
3. The Fund took on a large number of commitments that together provide the structural foundations for the four pillars of the business model: resource mobilization, resource allocation, resource utilization and resource transformation. The commitments covered all aspects of the Fund's work with the intention to enhance efficiency and effectiveness and deliver better development results.
4. The Fund intentionally sequenced the delivery of the majority of the commitments within the last year of IFAD10 to lay the groundwork for IFAD11 resources to have maximum possible impact. At the end of the first year of IFAD11, IFAD has demonstrated that it is in a position to fulfil its ambition of bringing more development finance to the rural development sector. It has shown itself to be more thoughtful and selective in allocating resources to the poorest people in the poorest countries, in refining its modalities of utilizing resources, and in transforming resources into development results.
5. Much has been achieved and significant transformations have taken place since the beginning of IFAD11. IFAD has delivered 75 per cent of the commitments made; action on a further 25 per cent is ongoing (see annex II). Linked to this, improvements can be noted in most of the 40 performance indicators of the RMF.
6. The scope of the changes and the significant shift that they required in policies, systems, culture and capacities have also exposed areas of the business model where IFAD needs to do more and better to maximize its contribution towards SDGs 1 and 2.

Structure and purpose of the Midterm Review

7. Like other development finance institutions, IFAD prepares a midterm review of its replenishments at the beginning of discussions with Membership for the next replenishment consultation. In practice, this means that the Midterm Review (MTR) comes early in the three-year funding cycle and, in IFAD's particular case, at the start of the second year of the replenishment, when two-thirds of the work remains to be done. As a consequence, IFAD's previous MTRs have focused heavily on accomplishments from the previous cycle – for example, the IFAD10 MTR focused on the results achieved in IFAD9.
8. In contrast, this Midterm Review presents an up-to-date report on where IFAD stands one year into implementing the IFAD11 business model. While the MTR helps set the direction for the next replenishment cycle and lays out challenges and lessons learned from the first full year of implementation, it is not intended as a strategy document per se nor a completion report of the previous cycle.³

³ The 2019 Report on IFAD's Development Effectiveness provided a consolidated account of the IFAD10 cycle and reported against the IFAD10 RMF. The IFAD10 RMF is contained in annex III.

9. Three core changes have made it possible for this MTR to draw less on results from IFAD10 and more on performance in the first year of IFAD11. First and most importantly was the adoption and implementation of the Development Effectiveness Framework (DEF) in 2016, which paved the way for IFAD to be able to measure, track and report on results in real time (see further details on the Information and Communications Technology [ICT] systems in box 1).
10. Second, IFAD made significant efforts to front-load commitments and evolve in the last year of IFAD10 to facilitate the work of IFAD11, placing itself ahead in terms of implementation compared to prior cycles.
11. Third, the efforts by cross-divisional teams to deliver country strategies, combined with the large programme of lending, grants and new instruments in 2019, have enabled early stocktaking of performance against targets.

Box 1

IFAD Operations Technology Suite

Since 2016, through strategic programmatic investments and a modular approach, IFAD has built up a highly integrated technology platform to support end-to-end processing of the full operations project lifecycle. This Operations Technology Suite consists of several systems working in concert and has been designed to meet the specific needs of the organization while at the same time enabling faster and easier communication with beneficiary countries and partners.

The IFAD Client Portal (ICP), the external facing solution for IFAD beneficiaries to facilitate digital processing of withdrawal applications, project procurement and disseminate project data and reporting for members and partners, is underpinned by Flexcube, IFAD's core banking solution. Data flows are interfaced back to the main IFAD operations digital workspace, the Operations Results Management System (ORMS) which allows real time view of loans disbursements within a system that manages the full project life cycle, from Design through to Completion, including tracking results, achievements and risks. Fiduciary oversight is managed within the Financial Management database (FMDB), with ratings and issues integrated real time to ORMS.

This highly integrated ICT architecture with interoperable systems reduces duplicated efforts, decreases manual errors, and most importantly enables seamless corporate real-time reporting on IFAD operations. Data and results across all the project portfolio are openly shared on the IFAD corporate website, as well as with entities such as IATI. This immediate level of transparency in IFAD's project portfolio enabled by technology is driving quality, including closely tracking disbursement targets, risk indices and project cycle timelines.

12. The MTR is organized around the IFAD11 business model and reports on progress against each pillar, as well as on the priorities and challenges that have arisen during implementation. After setting the stage regarding global challenges and reporting on impact (sections A and B below), the report concentrates on providing an evidence-based assessment of progress on the four pillars of the business model: resource mobilization (assembling development finance to maximize impact), resource allocation (how IFAD11 aims to focus on the poorest people in the poorest countries), resource utilization (doing development differently) and resource transformation (embracing a culture of results and innovation). A summary of progress against the IFAD11 commitments and RMF is provided in annex I and II, respectively.
13. Each of the four subsections under section II is introduced by a box presenting the headline, progress made and priorities for continued action as IFAD11 moves forward.

Box 2

Outside views of IFAD

It is useful to complement the MTR with outside views of how IFAD is responding to development challenges. Three reports are presented: the Multilateral Organization Performance Assessment Network (MOPAN) assessment, the Listening to Leaders Report by AidData and the Annual Report on Results and Impact of IFAD Operations. While differing in scale and objectives, they provide a sense of how the organization is performing at the midterm of IFAD11 which reinforces many of the key messages contained in this report. The following are the key takeaways from the assessments:

1. **MOPAN 2017-2018** finds IFAD to be an “agile, responsive and well-performing institution” that has a clear mandate and a well-articulated strategic framework; regular and intensive consultation processes which ensure a responsive institution; a transparent and well-defined approach to resource allocation; and a strong institutional focus on results with a corresponding results infrastructure; and it is making progress towards results-based budgeting.
2. **2019 Annual Report on Results and Impact** produced by the Independent Office of Evaluation of IFAD (IOE) also finds the project-level performance of closed and previously evaluated projects to be largely positive. Notably, the ARRI and the MOPAN assessment findings are particularly aligned in the areas identified for improvement, i.e. project-level efficiency and sustainability. The ARRI also highlights a decline in government performance which is correlated with project-level efficiency and sustainability and the need for IFAD to provide governments with more support to improve performance in these areas.
3. **2018 Listening to Leaders Report** includes results from perception surveys conducted at the country level. The report indicates that IFAD is perceived by leaders as one of the most important donors shaping policy-setting and as a partner of choice for delivery specifically within the rural sector (ranking fourth across all stakeholders and regions), placed only below large donors such as the World Bank, the European Union and the United States. This is despite the fact that IFAD had dropped on the overall development policy influence dimension. Nonetheless, triangulating the results with the MOPAN and ARRI analysis on IFAD’s non-lending work shows that there is room for IFAD to do more to build on its knowledge work both to draw lessons for performance improvements and to inform policy engagement at the country level.

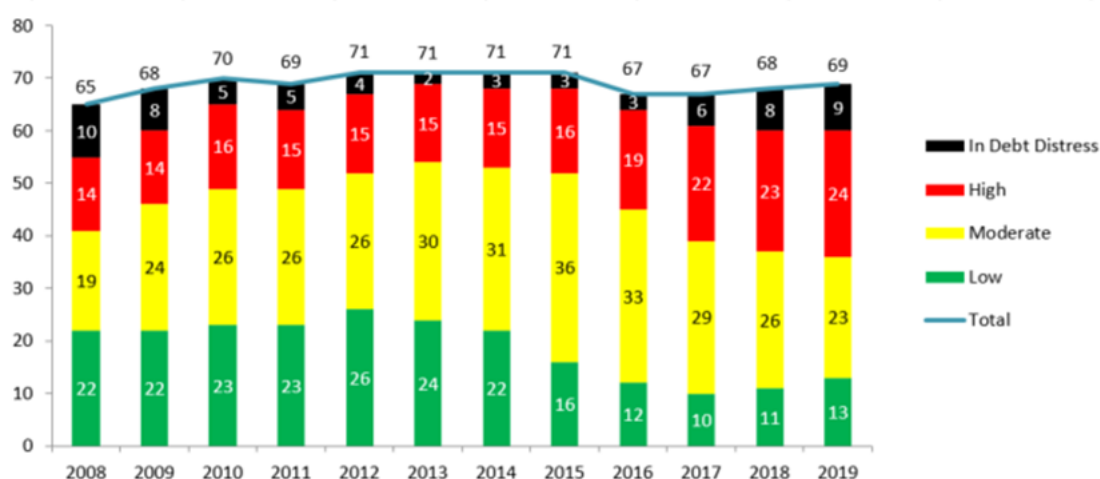
A. Delivering on development results in a challenging context

14. Since the time of the IFAD10 Midterm Review, changes in the global context have created new challenges for IFAD in its efforts to have a transformative impact on the lives of rural people. Four of these are significantly affecting IFAD’s work and must be addressed through the implementation of IFAD11 and through the strategic direction for IFAD12.
15. **The nature of poverty is changing.** Extreme poverty is not increasing, but it is becoming more concentrated. Recent estimates by the World Bank Group indicate that 8.6 per cent of the world’s population, around 740 million people, are still living in extreme poverty, often in rural areas. Disaggregation of this figure demonstrates that this poverty is concentrated: sub-Saharan Africa is home to half of the world’s extreme poor and by 2030 absolute poverty may be even more concentrated in Africa. In parallel with this broader trend towards concentration, recent reports suggest that significant pockets of poverty and deprivation remain in middle-income countries.⁴ Such populations form a core target group for IFAD. These problems are also likely to become more entrenched: the steady decline in poverty rates seen between 1990 and 2015 has slowed significantly.
16. Food insecurity is on the rise. The latest State of Food Security and Nutrition in the World (SOFI) report estimates that 820 million people in 2018 are food-insecure compared to 785 million in 2015, and numbers continue to rise. Like poverty, hunger has a rural face. The world’s food-insecure and hungry are found predominately in the developing countries, concentrated in sub-Saharan Africa, though food insecurity is rising in all developing regions. According to estimates, one in three people are likely to suffer from some form of malnutrition across the world. Projections show that without major changes to food systems and agriculture, by 2050 a further 2 billion people will be hungry. These shifts in food security trends are driven by the ever-growing impact of climate change, the prevalence of conflict and fragility, and the vulnerability of poor and marginalized people to economic shocks.

⁴ See for example Wignaraja et al (2018), “Asia in 2025: Development Prospects and Challenges for Middle Income Countries,” Overseas Development Institute Report. London: September.

17. **Fragility is increasing, and its linkages to poverty and hunger are clear.** The number of countries with fragile situations, and the concentration of the extreme poor in countries affected by fragility and conflict, continue to rise. The Organisation for Economic Co-operation and Development (OECD) estimates that 80 per cent of the world's extreme poor will live in fragile situations by 2030.⁵ Not only is fragility a driver of food insecurity, it is itself driven by weak institutions, which can diminish the impact of policies and programmes aimed at poverty reduction. At least 25 per cent of IFAD's investments in IFAD11 will be in fragile situations, and will therefore face challenging contexts. In 2019 alone, IFAD approved US\$391 million in loans and grants (or 25 per cent of the 2019 PoLG) for countries with fragile situations.⁶

Figure 1

Evolution of debt distress in low-income countries: 2008-2019

18. **Debt sustainability is increasingly at risk.** As shown in figure 1, over 45 per cent of low-income countries (LICs) are currently assessed as being at high risk of external debt distress or in debt distress – double the number of 2013. These categories include 33 countries – 58 per cent of the IFAD Debt Sustainability Framework (DSF)-eligible countries covered under the joint World Bank/International Monetary Fund (IMF) Debt Sustainability Framework for LICs.

⁵ OECD (2018), "States of Fragility Report".

⁶ The Executive Board reviewed the Special Programme for Countries with Fragile Situations in May 2019, which adopted the World Bank's harmonized list of fragile situations for reporting purposes. The countries with fragile situations in the 2019 lending programme included: Afghanistan, Democratic Republic of the Congo, The Gambia, Guinea-Bissau and Mozambique.

Box 3

Poverty, food insecurity, fragility and debt: How IFAD responds to global challenges

To meet the challenge of concentrated poverty, IFAD is: channelling more resources towards the poorest countries, while maintaining a focus on pockets of poverty in other countries through targeting. It is ensuring that resource allocation keeps pace with concentrations of poverty and that the right instruments are in place to engage with the right actors (which include the private sector and civil society) in all types of situations. It is also working with other development actors to ensure that its interventions abide by the principles of aid harmonization and are synergistic.

To meet the challenges of rising food insecurity, IFAD is: ensuring that meeting its strategic objectives also leads to a decline in food insecurity. This requires increasing its focus on nutrition. It has put in place the tools to respond quickly and efficiently to the nexus between food insecurity, fragility and climate change, and to partner with institutions and actors that have expertise in addressing crisis-related drivers of food insecurity, where IFAD may not be best placed to intervene.

To meet the challenge of rising fragility, IFAD is: channelling resources to affected countries quickly and efficiently and designing new tools that address the root causes of fragility – particularly institutional weaknesses and poor governance. It is tailoring its development responses to context-specific drivers of fragility, including weak institutions. Finally, IFAD is partnering with actors who have the capacity to engage in humanitarian assistance so that it is poised to intervene as soon as the crises abate.

To meet the challenge of rising debt distress, IFAD is: fully committed to being part of the international architecture of support for debt relief and management in the poorest countries and subscribes to the general principles to promote sustainable lending promulgated by the World Bank. These include consideration of debt sustainability in resource allocation decisions, creditor coordination, information sharing and transparency, and financial innovation. For IFAD, this implies avoiding the creation of an unsustainable additional debt burden for highly indebted countries and applying a high level of concessionality in financing to such countries.

B. Maximizing impact

19. Despite the challenging context, delivering demonstrable impact on the lives of the rural poor is IFAD's mandate, and a demonstration of the success of the institution.
20. Through the Strategic Framework 2016-2025 the Fund set out to pursue three interlinked strategic objectives that would contribute to the SDGs. These are (i) increasing rural people's productive capacity, (ii) increasing rural people's access to markets and (iii) strengthening the environmental sustainability and climate resilience of rural people's economic activities. The expectation was that through its PoW, IFAD would finance activities linked to these strategic objectives and therefore contribute to SDG 1 and SDG 2.
21. IFAD is currently the only international financial institution using a comprehensive and quantified approach to measure results from impact to outcomes and outputs. For the IFAD10 period, four core impact indicators were set: increasing economic mobility, increasing production, increasing market access and increasing resilience. Each indicator was accompanied by an ambitious target.
22. As impact can only be assessed ex post, IFAD reports against the impact indicators at the end of the replenishment cycle – presenting the consolidated results of the portfolio completed in that replenishment cycle. In IFAD10, IFAD conducted 17 impact studies across its five regions of operation, also addressing broad themes representative of the Fund's core business. The projected results showed significant impact, exceeding the targets set for itself relative to its contribution to SDG 1 and SDG 2. While this impact is attributed to projects that closed in the IFAD10 cycle, the results are a strong indication that with an expanding PoW invested in the right activities and focused on quality and results, IFAD's impact in future cycles will continue to expand.⁷

⁷ The aggregated impact from projects closing in IFAD11 will be reported on in the 2022 RIDE at the end of the IFAD11 cycle.

23. As a result of IFAD's investments the following attributable impact was reported in IFAD10:
- **62 million people experienced economic mobility,⁸** contributing to SDG 1.2 to reduce poverty by half by 2030 and SDG 2.3 to double the incomes of small-scale farmers by 2030;
 - **47 million reported improved production,⁹** also contributing to SDG 2.3 to double the productivity of small-scale farmers by 2030;
 - **50 million reported improved market access,¹⁰** contributing to SDG 2.3 to achieve secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment; and
 - **26 million improved their resilience,¹¹** contributing to SDG 1.5 to build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to weather-related extreme events and other economic, social and environmental shocks and disasters by 2030.
24. This impact was achieved by reaching 114.7 million people in IFAD10 and delivering significant outputs: 3.1 million hectares of land were brought under climate-resilient management practices, 1.4 million people were trained in income-generating activities, 13.8 million people accessed financial services, more than 160,000 enterprises accessed business promotion opportunities, more than 275,000 hectares of land were brought under improved irrigation and 2.08 million people were trained in community management topics (72 per cent of whom were women).
25. During IFAD11, the Fund has committed to reporting on an additional impact indicator – improved nutrition – given the centrality of nutrition to the Fund's work on SDG 2 and the need to embed nutrition sensitivity into efforts to reverse the alarming trend of increasing hunger. The expected impact results are: 47 million people with increased production, 46 million people with increased market access, 24 million people with greater resilience and 12 million people with improved nutrition (level 2 of the IFAD11 theory of change – development results, see figure 2 below).
26. The Fund will further refine its methodology and the framework for selecting projects for impact evaluation based on feedback received from the Independent Office of Evaluation of IFAD (IOE). It has also commissioned an external peer review of its impact assessment methodology to validate the approach being used by the organization.

⁸ Projection from IFAD impact assessments of the number of rural people with changes in economic status (10 per cent or more) including income, consumption and wealth.

⁹ Projection from IFAD impact assessments of the number of people with substantial gains (20 per cent or more) in agricultural production.

¹⁰ Projection from IFAD impact assessments of the number of people with greater value of product sold (20 per cent or more) in agricultural markets.

¹¹ Projection from IFAD impact assessments of the number of people with improved resilience (20 per cent or more).

Box 4

Impact assessments: Improving lives in coastal areas of Indonesia¹²

The Coastal Community Development Project (CCDP), implemented between 2013 and 2017, was designed to reduce poverty and achieve sustainable economic growth in 12 coastal districts of Indonesia. An impact assessment of CCDP was conducted in 2018. The assessment used a mixed-methods approach that combined quantitative household-level and community-level surveys and a qualitative survey (focus groups discussions and key informant interviews).

The impact assessment showed unequivocally that as a result of CCDP activities, fish productivity and sales improved markedly, thus significantly increasing the income of project participants from fishing. The project's community-based interventions to improve coastal resource management meant that fishers were able to catch more and larger-sized fish, in addition to a more diverse set of higher value fish. Results include:



II. IFAD11: A bold response through an enhanced business model

27. To implement the business model for IFAD11, which forms the base of the theory of change pictured below (level 3: operational and organizational performance), the Fund took on 14 commitments with 50 specific monitorable actions that, taken together, would provide the structural foundations to the four pillars of the business model. It put in place policies and systems to facilitate the implementation and monitoring of these commitments and actions, and continues to work on ensuring that capacities and culture shift in the same direction.
28. While this report uses real-time and up-to-date data and evidence to report on level 3 of the theory of change, higher-level results (tiers 1 and 2 in the theory of change) cannot yet be reported as IFAD11 must first be fully implemented and evaluated for impact and outreach. However, the results of the IFAD10 impact assessments provide strong evidence that impact is being delivered against these targets.

¹² <https://www.ifad.org/en/web/knowledge/publication/asset/41248703>.

Figure 2
IFAD11 theory of change



29. The following sections provide an update on IFAD’s progress in implementing each pillar of the business model, including the commitments and the corresponding performance indicators. It also gives a sense of lessons learned, and the challenges and priorities for the short term (the remainder of IFAD11), medium term (IFAD12) and longer term (the scope of the vision articulated in IFAD 2.0).

A. Resource mobilization: Assembling development finance to maximize impact



Headline: IFAD has made efforts to mobilize resources through cofinancing and increased borrowing. Core resources continue to be the bedrock of IFAD's business model but these show signs of levelling off. IFAD and Member States need to work towards achieving IFAD2.0's goal of increasing the Fund's impact by mobilizing sufficient resources.

Progress against IFAD11 commitments: 50 per cent of the IFAD11 commitments completed (three completed); three ongoing.

Progress against RMF targets and other achievements

- Plateau in mobilizing core replenishment resources – 84 per cent of the replenishment target of US\$1.2 billion achieved, expecting to reach 89 per cent. Gross contributions (including DSF) expected to reach US\$1.1 billion – the same as IFAD10 – against a target of US\$1.35 billion.
- New instruments for grant contributions and borrowing offset a levelling-off in core resources – three concessional partner loans (CPLs) received from Finland (EUR 50 million), France (EUR 50 million) and India (US\$20 million), with a total grant element of US\$51.05 million and Unrestricted Complementary Contributions (UCCs) totalling US\$48.3 million.
- High levels of cofinancing mobilized in 2019 (1:2.05 overall ratio: 1.15 international and 0.90 domestic), though highly sensitive to individual projects, thus attention still needed in this area.
- Approval of the Private Sector Engagement Strategy, approval of the Private Sector Advisory and Implementation Unit, launch of the Agribusiness Capital (ABC) Fund.

Priorities and challenges going forward

- Integrate further borrowing into the IFAD11 financing framework.
- Implement the agreed solution to financing DSF given constraints to financial sustainability attributed to this mechanism.
- Maintain similar cofinancing levels, particularly domestic cofinancing, for the remainder of IFAD11 given the volatility of annual cofinancing.
- Internal workforce skills and capacity upgrade needed to meet the challenges of private sector engagement.

30. It is estimated that to meet SDG 2 an annual investment of around US\$180 billion is required, while according to other estimates a similar sum is needed for SDG 1. At the same time, trends in ODA are flat or declining, particularly for agriculture, which lies at the heart of SDG 1 and 2.
31. In IFAD11, IFAD committed to scale up its impact by mobilizing core resources to end poverty and hunger and leveraging these with supplementary resources, thus becoming an assembler of development finance in agriculture and rural development. This new role involves crowding-in investments in agriculture through: (i) mobilizing replenishment resources and increasing funding through additional leverage; (ii) enhancing partnerships at the global level to secure greater international cofinancing; (iii) engaging at the national policy level to encourage greater domestic cofinancing and; (iv) increasing the role of the private sector to boost investment in agriculture.

Expanding the PoLG: Replenishment finance and core resources

32. To maximize its impact, the Fund is continuing to implement a financial framework that blends replenishment contributions – which continue to be the bedrock of the Fund's financial model – with debt financing to fund an increased and financially sustainable PoLG. IFAD8 saw an increase in core replenishment resources following the global food crisis, and IFAD9 leveraged on the creation of the ASAP programme. However, IFAD10 showed a slight decline in core resources, which together with declining or plateaued ODA for agriculture, seems to be a continuing trend. For IFAD11, while overall contributions are expected to be similar to IFAD10, more core resources are needed to meet the needs of DSF countries. IFAD's

continuing impact and its ability to deliver stronger results depend on its success in mobilizing core resources.

33. While alternative sources of finance are needed for IFAD to deliver on its mandate, core replenishment resources are central for two main reasons: (i) only through core replenishment IFAD is in a position to continue having the largest impact in LICs and in countries in debt distress (ii) core replenishment resources form IFAD's capital, which is the prerequisite for IFAD to borrow in a sustainable manner (financial sustainability requires IFAD to have enough equity capital to cover expenses for grants and to guarantee its operations, including those financed by leverage).
34. **Replenishment contributions.** During IFAD10, total pledges received – including UCCs of US\$68 million¹³ – amounted to US\$1.096 billion, representing just over 84 per cent of the replenishment target of US\$1.35 billion (reduced from the original target of US\$1.44 billion).
35. The IFAD11 Consultation set a more conservative target of US\$1.2 billion, recognizing the decline of many contributors' currencies against the United States dollar. As of the 128th session of the IFAD Executive Board in December 2019, 94 countries had pledged a total of US\$1.01 billion, equal to 84 per cent of the target. This includes regular contributions of US\$909 million, as well as US\$48 million pledged in UCCs,¹⁴ and US\$51 million pledged as the grant element of CPLs. Instruments of contributions deposited equalled just over US\$900 million, or 86 per cent of the pledges received. Projections see the total core contributions for IFAD11 finally increasing by about US\$60 million, which would leave the total amount pledged at US\$1.07 billion, or 89 per cent of the target. Including DSF compensation, gross contributions to IFAD11 currently stand at US\$1.04 billion, and are projected to rise to US\$1.1 billion, marginally above the level of gross contributions in IFAD10 (see further details on DSF below).
36. The declining trend in core contributions, while compensated by UCCs and the grant element of CPLs, is cause for concern and presents a challenge for the remainder of IFAD11 and IFAD12. Increasing levels of DSF compensation, together with exchange rate impacts, partly account for the declining trend in core contributions (see table 1), while the decisions by some Member States to reduce pledges, or not to pledge, are another factor.
37. **Integrating borrowing in the IFAD11 financing framework.** Borrowing is increasingly playing a role in enabling IFAD to deliver its PoLG. During IFAD11, a new borrowing instrument – CPLs – was established, complementing the existing sovereign loan instrument. It aims to mobilize more concessional funds which can be on-lent on highly concessional terms.
38. Proposals for both CPLs and sovereign borrowing for IFAD11 were approved by the Executive Board, which authorized three CPLs respectively received from Finland (EUR 50 million), France (EUR 50 million) and India (US\$20 million), with a total grant element of US\$51 million and a sovereign loan from Canada of CAD 150 million. With regard to sovereign borrowing, an agreement signed with Agence française de développement, which has been fully drawn down. These two borrowing instruments have been important in supporting the growth of the PoLG over recent replenishment cycles. Nonetheless core resources continue to be the key determinant enabling IFAD to achieve impact at scale and contribute to the 2030 Agenda.

¹³ Canada and the Netherlands pledged UCCs for climate change mainstreaming amounting to US\$9.17 million and US\$26.73 million respectively. The Russian Federation pledged a UCC of US\$3.0 million for mainstreaming nutrition-sensitive agriculture. The United States pledged a UCC of US\$12 million for mainstreaming climate-smart agriculture.

¹⁴ Germany, Sweden and Switzerland respectively pledged UCCs of US\$22.95 million, US\$11.94 million and US\$12.36 million for mainstreaming climate change. Luxembourg pledged a UCC of US\$1.03 million for mainstreaming nutrition.

39. Additional financing is required to fully fund the IFAD11 PoLG target of US\$3.5 billion. IFAD is making greater efforts to mobilize resources from current and potential new counterparts, including sovereign lenders and other international financial institutions (IFIs). In addition, IFAD will continue to broaden its funding sources through interaction with other investors, particularly those with a social impact mandate. In that respect, obtaining a strong credit rating would increase the institution's reputation as a sound, long-term financial counterpart, thereby facilitating financing from a broader range of sources at more favourable terms.
40. **A sustainable solution for DSF.** IFAD has actively worked with Member States to reach agreement on a reform of the DSF allowing it to deliver on its core mandate while preserving IFAD's longer-term financial sustainability. The central principle of this reform is the provision of the most concessional funds to the poorest and most vulnerable countries. The DSF reform was approved at the 128th Executive Board and will be submitted to the forty-third session of the Governing Council in February 2020 for approval. It aims to build a tailored IFAD response and maximize the use of ODA for the poorest countries, while adhering to the international architecture of support for debt distress management. This implies prioritizing financing with grants and higher concessionality lending for countries with higher debt vulnerability, informed by the joint World Bank-IMF Debt Sustainability Framework. Care should also be taken to avoid imposing an unsustainable extra debt burden on highly indebted countries.
41. The Executive Board agreed a set of measures to address the issues mentioned above, including:
- (i) Recognition of a required sustainable replenishment baseline covering the agreed level of grant financing (past and future DSF, regular grant programme), general operating costs and contribution to longer-term capital sustainability, which would avoid erosion of IFAD's capital over time;
 - (ii) Establishment of a dynamic pre-funded mechanism, which would ensure that new DSF approvals are linked with Member States' up-front commitments on a replenishment-by-replenishment basis.
 - (iii) Introduction of tailored solutions for countries eligible for DSF, linked to concessionality levels;
 - (iv) Allocation of IFAD's scarce DSF grant resources to specifically support countries with the highest level of debt distress, including the poorest and most vulnerable countries;
 - (v) Introduction of a new lending term with a higher concessionality level known as a super highly concessional loan.
42. IFAD Management has spent time in analysis and consultation with its members and other IFIs including the IMF in arriving at this solution.
43. **Leverage.** IFAD's debt-to-equity ratio increased gradually during IFAD10, from 3.3 per cent in 2016 to 7.6 per cent as of September 2019. This is in line with the covenants included in the Fund's Sovereign Borrowing Framework and the newly approved (December 2019) Capital Adequacy Policy. The policy adopts an integrated approach to risk management, which focuses on capital levels required to operate under current business models and on strengthening of internal capacities and processes with respect to risk management. IFAD plans to continue to further increase borrowing consistent with its financial policy framework and with the goal to increase financing to the broadest range of countries in a sustainable manner.

Table 1
Donor contributions, UCC, DSF and CPL – IFAD9-IFAD11
 (United States dollars)

	IFAD9	IFAD10	IFAD11 (current) 30 September 2019	IFAD11 (projected)
Replenishment target	1 500 000 000	1 352 680 077	1 200 000 000	1 200 000 000
Achieved (percentage)	95	81	84	89
Total contributions	1 431 743 119	1 095 730 782	1 008 713 434	1 068 503 434
Core	1 071 105 491	1 027 464 079	909 375 990	969 165 990
UCC	360 637 628	68 266 703	48 288 690	48 288 690
CPL			51 048 754	51 048 754
DSF target		3 391 819	39 593 675	39 593 675
DSF received		2 928 606	35 158 241	35 158 241
DSF gap		(463 213)	(4 435 434)	(4 435 434)
Gross contributions (including DSF)	1 431 743 119	1 098 659 388	1 043 871 575	1 103 775 294

Implementing the roadmap of IFAD's financial strategy

44. Implementing the roadmap of IFAD's financial strategy was a commitment made by the Fund for the IFAD11 cycle. In this context, three milestones on the map have been reached. First, a comprehensive independent risk review, requested by the Executive Board, was carried out by an external firm in 2018. The review was key in highlighting IFAD's main risk exposures and actions needed to strengthen risk management. The creation of a financial Risk Management Unit in 2018 and 2019 was one of the first steps towards creating a robust risk management framework to sustain IFAD's financial and operational strategies.
45. To date, key outputs in this respect include the development of a Capital Adequacy Policy for the first time in IFAD's history – a fundamental step for the organization; the revamping of IFAD's Liquidity Policy for closer alignment with peer IFIs; the enhancement of IFAD's Asset Liability Management Framework to include all balance sheet risks; and the reform of the DSF mechanism as mentioned above as a key element in protecting IFAD's financial sustainability. Other steps to further enhance the robustness of IFAD's financial architecture and modus operandi include the ongoing update of IFAD's financial systems, the introduction of stronger financial risk management tools, and the revamping of IFAD's financial model.
46. IFAD has also raised its financial profile to further improve its capacity to hedge its growing balance sheet risks with the signing of two additional counterparty swap agreements with Rabobank and Société Générale in 2019 – a key element in reducing IFAD's operational risks. Additional agreements are envisioned in the course of IFAD11.
47. Second, an update of IFAD's financing terms undertaken in 2018 was approved by the Executive Board in December 2018 as part of the Transition Framework. The update, reflected in the Policies and Criteria for IFAD Financing, broadened the product offer to partner countries. IFAD is actively monitoring the uptake on fixed spread and different maturity buckets and currencies. A further update was undertaken as part of the DSF review and will be submitted to the Governing Council in February 2020. To accompany this, a phasing in/phasing out mechanism

was also embedded in the Transition Framework to ease countries' transition across lending terms and also expedite project design.

48. Third, in December 2019 the Executive Board approved the engagement with rating agencies for IFAD to undertake a credit rating. The rating will examine IFAD's credit strength, following on the credit rating assessment (CRA). A positive CRA is the first step toward obtaining a strong credit rating, which will facilitate IFAD's resource mobilization efforts by enhancing trust, validating IFAD's financial architecture and enabling access to a broader range of potential lenders, including public and private entities.

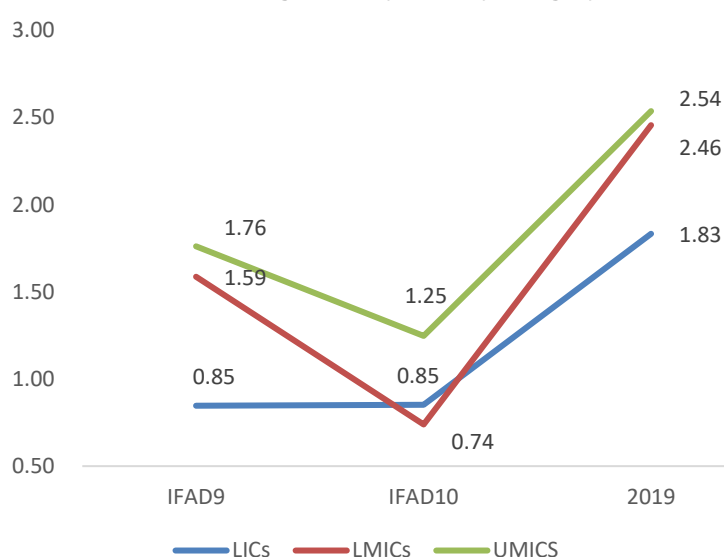
Expanding the PoW: Strengthening IFAD's role as an assembler of development finance

49. To maximize IFAD's contribution to the SDGs, one of the main areas of the reform of IFAD's business model during IFAD11 was to make IFAD an assembler of development finance and not only a direct financier through mobilized resources.
50. **Cofinancing.** IFAD's Cofinancing Strategy and Action Plan were approved by the Executive Board in December 2018, with cofinancing targets being cascaded internally and tracked in line with the Action Plan. The aim is to achieve a ratio of 1:1.4 for IFAD11– 1:0.8 for domestic cofinancing and 1:0.6 for international. The disaggregated focus on domestic and international cofinancing signalled IFAD's recognition that domestic and international resources have different but complementary drivers and roles to play in maximizing resources for impact. The higher target set for domestic cofinancing as against international cofinancing reflected IFAD's commitment to the Addis Ababa Action Agenda, the SDGs, the African Union's Agenda 2063 and the Paris Declaration. All of these recognize that domestic resource mobilization from the public and private sectors is necessary for sustainable poverty eradication. Furthermore, as noted in the 2019 Report on IFAD's Development Effectiveness (RIDE) and the ARRI, higher domestic contributions reflect strong government, both of which are directly correlated with project efficiency and sustainability, and ultimately with achieving development outcomes.
51. Through multiple efforts and strengthened partnerships at both the corporate and the country levels, the cofinancing ratios for 2019 were 1.15 for international and 0.90 for domestic, with the overall ratio at 2.05 (calculated solely on the projects approved in 2019 rather than as a rolling average). The improved ratio reflects not only IFAD's proactivity, but also the confidence of both international partners and national governments in IFAD as a leader in rural development. Also evident is the emphasis that such actors are placing on agriculture and the rural sector to drive economic growth and reduce poverty from the bottom up.
52. Although the cofinancing ratio in 2019 is a positive indication of IFAD meeting the IFAD11 target, it is also worth highlighting that such ratios can be strongly driven by individual projects and therefore are subject to year-to-year fluctuations. Thus continuing attention is needed to ensure that the overall performance of IFAD11 meets or exceeds the target – a challenge for teams that have already programmed large parts of the 2020 and 2021 pipeline. Nonetheless, indications from 2020, when IFAD will deliver another US\$1 billion in lending, are broadly positive.

Table 2
Overview of cofinancing ratios
 (Millions of United States dollars)

Ratios	IFAD8	IFAD9	IFAD10	2019 current	IFAD11 target
IFAD financing	2 823	2 941	3 323	1 665	3 500
Cofinancing	3 829	3 817	2 819	3 406	4 900
Total	6 652	6 758	6 142	5 071	8 400
International ratio	0.51	0.56	0.26	1.15	0.60
Domestic ratio	0.84	0.74	0.59	0.90	0.80
Cofinancing ratio	1.36	1.30	0.85	2.05	1.40

Figure 3
IFAD9 – 2019 Cofinancing ratios by country category



53. **Engaging with the private sector.** The year 2019 marked a milestone in IFAD's efforts to strengthen its engagement with the private sector. In January 2019, the General Counsel amended IFAD's basic legal texts, allowing the Fund to directly finance private sector entities. The corresponding Private Sector Engagement Strategy (PSS) was developed by IFAD Management and approved by the Executive Board in September 2019.
54. The new PSS defines IFAD's future strategic approach towards the private sector. The main aim is to allow the Fund to mobilize private investment, knowhow and expertise into rural micro, small and medium-sized enterprises and small-scale agriculture, particularly by deploying its own financial instruments. The Fund also intends to scan its existing PoLG and portfolio to identify investment opportunities for international and domestic private sector actors, including agribusinesses, thereby increasing incomes and creating job opportunities for rural communities.
55. In order to ensure a thorough implementation of the PSS, IFAD created a Private Sector Advisory and Implementation Unit within the Sustainable Production, Markets and Institutions Division. The unit is responsible for leading, coordinating and providing the technical expertise for IFAD's private sector operations and will help consolidate the various private-sector-related activities within the Fund. The unit will be strengthened with additional technical expertise and skills to broaden IFAD's engagement with the private sector.

56. IFAD also developed and sponsored the ABC Fund, a blended finance impact fund aimed at addressing the unmet needs of smallholders and their organizations. IFAD chairs the Fund's board and is represented as an observer on its Investment Committee. So far, over 15 proposals for investment in Côte d'Ivoire, Ghana, Kenya, Mali and Uganda have been reviewed by the Committee, and the first investments are expected to be deployed in 2020. IFAD is also assisting the ABC Fund in resource mobilization as well as in providing operational support in the field to assist in the pre-identification of potential clients.

Box 5

Innovative financing: the ABC Fund

The ABC Fund is an impact investment vehicle, sponsored by IFAD and created together with: (i) the European Union with the backing of the African, Caribbean and Pacific Group of States; (ii) the Government of Luxembourg; and (iii) the Alliance for a Green Revolution in Africa, incorporated as a limited company under Luxembourg law. The mission of the ABC Fund is to address the large gap existing between supply and demand for investment in smallholder agriculture and rural finance. It has a particular focus on job creation for rural women and youth, an objective closely aligned with the focus of IFAD's portfolio.

The Fund was structured as a blended finance vehicle, with a first-loss equity share class of EUR 50 million, expected to help de-risk private sector investments into more senior share classes. The target size for the Fund as a whole has been set at EUR 200 million, expected to be reached over a period of approximately two years.

The ABC Fund's investment strategy consists of two pillars:

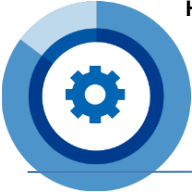
- Direct investments in the form of working capital facilities, term loans and sub-debt or equity investments into strategically positioned SMEs with scaling potential, farmers' organizations, aggregators and value chain actors. The upper limit per investment in these sectors is EUR 0.8 million or the equivalent in other currencies.
- Indirect investments in the form of term loans of up to EUR 4 million or the equivalent in other currencies into select financial institutions, which on-lend the funds to small agribusiness enterprises.

The ABC Fund is also supported by a Technical Assistance Facility that will cofinance business development services to investees as well as undertake impact and environmental, social and governance (ESG) assessment and monitoring activities.

57. **Supplementary funding.** Supplementary funds are defined as "grant-based resources received and administered by IFAD on conditions mutually agreed between IFAD and the donor(s)".¹⁵ Overall supplementary funding has increased significantly, with US\$334 million in new agreements signed during IFAD10, as compared to US\$252 million in IFAD9. In 2019, approximately US\$90 million has already been signed, with a pipeline of a further US\$80 million. The European Union and climate funds continue to be the major providers of supplementary funding. The ongoing portfolio of supplementary funds is approximately 60 per cent project cofinancing, particularly in fragile situations through mechanisms such as the Facility for Refugees, Migrants, Forced Displacement and Stability (FARMS), and 40 per cent dedicated to other thematic activities such as IFAD's work with farmers' organizations, agricultural risk management, remittances and initiatives such as the ABC Fund.

¹⁵ President's Bulletin IFAD PB/2013/12 – Principles and procedures for mobilizing and managing supplementary funds, December 2013 – annex I, para 2, Definition of Supplementary Funds.

B. Resource allocation: Focusing on the poorest people in the poorest countries



Headline: IFAD has allocated sufficient core resources to meet the allocation targets and focus on the neediest countries. IFAD should ensure that a diversification of its financial architecture as envisaged under IFAD2.0 does not compromise its core mandate, comparative advantage or target groups.

Progress against IFAD11 commitments: 80 per cent of related IFAD11 commitments completed (4 actions); 1 ongoing.

Progress against RMF targets and other achievements

- Targets for programming core resources through the performance-based allocation system (PBAS) allocations for IFAD11 met. Nearly 60 per cent to sub-Saharan Africa (SSA); 25 per cent to countries with fragile situations; 90 per cent to LICs and lower-middle-income countries (LMICs).
- Country selectivity framework effectively applied – 80 countries entered the IFAD11 PBAS cycle, compared to 102 in IFAD10.
- Consolidating through fewer, larger projects - average IFAD financing per project has gone up to US\$40 million from US\$31 million in IFAD10 and US\$28 million in IFAD9, with the number of projects per country also expected to decline.

Priorities and challenges going forward

- Ensuring resource allocations are matched with adequate absorption and implementation capacity.
- Ensuring that the new targeting guidelines are applied and targeting at the country level is more precise.
- Maintaining IFAD's mission of focusing on the poorest while ensuring IFAD's financial sustainability.

58. SDG 17 recognizes that mobilizing funding is critical to achieving the SDGs. It is equally important, however, to ensure that funds reach the poorest people in the poorest countries, particularly as regards SDG 1 and 2. This means that in IFAD11, at the macro level, resources need to be apportioned to countries with the largest needs, while also ensuring that IFAD's financial and non-financial offers effectively respond to different country contexts. At the country level,¹⁶ precision is needed in targeting to make certain that interventions reach the poorest people and those who risk being left behind.

Optimizing allocation of core resources

59. In line with the IFAD11 commitment to channel more resources to countries with the greatest needs, the Fund has taken a more strategic and targeted approach to optimize allocation of resources. Management introduced selectivity criteria for access to the IFAD11 PoLG, with a cap at 80 countries compared to 102 countries under IFAD10. The intention is to deliver bigger projects to maximize impact, avoid spreading resources too thinly, consolidate portfolios to eliminate dispersion, and make certain that maximum resources go to the countries with greatest needs and where past performance suggests those resources can be used most effectively.
60. IFAD committed to channelling at least 90 per cent of its core resources to LICs and LMICs, and 10 per cent to upper-middle-income countries (UMICs). As can be seen in table 4 below, core resource allocations programmed for IFAD11 are on-target, with 53 per cent going to LICs, 37 per cent to LMICs and 10 per cent to UMICs. Furthermore, 25 per cent of resources are being earmarked for countries with fragile situations.
61. While IFAD has been successful in optimizing up-front funding through the PBAS, the eventual success of the selective approach will be measured against countries' absorption of those allocations. To monitor this, IFAD has included a further indicator in the IFAD11 RMF to monitor the percentage of core resources

¹⁶ IFAD11 business model definitions of micro and macro level targeting.

reallocated during the IFAD11 cycle, with a target of less than 10 per cent. This will be examined at the end of the cycle.

Table 3
IFAD10 and IFAD11 comparison of allocations by region
(United States dollars)

<i>Regional division</i>	<i>IFAD10 allocation</i>	<i>Percentage of total resources</i>	<i>IFAD11 projected allocation</i>	<i>Percentage of total resources</i>
APR	1 033 101 433	33	928 371 492	28
ESA	720 929 378	23	911 402 884	27
LAC	274 321 448	9	251 368 178	8
NEN	425 808 872	14	406 852 451	12
WCA	629 901 074	20	827 004 994	25
Total	3 084 062 205		3 324 999 999¹⁷	

Table 4
IFAD10 – IFAD11 comparison of share of core resources
(Billions of United States dollars)

<i>Allocation commitments</i>	<i>IFAD10 share of core resources*</i>	<i>IFAD11 projected share of core resources allocated</i>	<i>IFAD11 commitment targets</i>
Africa	55	62	50
Sub-Saharan Africa	53	59	45
LICs and LMICs	92	90	90
UMICs	8	10	10
Harmonized list of fragile situations	-	25	25-30
Highly concessional terms	66	65	66

*Based on year 3 – including reallocations.

62. Among the selectivity criteria, Management introduced a further requirement for all countries to have active country strategies or country strategic opportunities programmes (COSOPs) in place to be eligible to receive IFAD11 resources. In IFAD11, all countries have strategies that lay out IFAD's strategic support to the country as well as how the lending envelope they are accessing feeds into their programming. Projects are no longer conceived in isolation but fit into a longer-term programmatic approach as vehicles of change and large-scale, sustainable impact.
63. With fewer countries accessing more resources in IFAD11, average IFAD financing per project has increased to US\$40 million from US\$31 million in IFAD10 and US\$28 million in IFAD9. Taking into consideration cofinancing – both domestic and international – the average total project size has nearly doubled since IFAD10.
64. **Delivery in 2019.** Following efforts for greater efficiency, there has already been progress in ensuring that designs are completed more quickly to respond to partner country needs. The average duration of design has dropped from 17 months in 2016 to 10 months for projects approved in IFAD11 to date.
65. Against the IFAD11 PoLG target of US\$3.5 billion, in 2019 IFAD delivered a PoLG of US\$1.67 billion, exceeding any other year in the Fund's history. The PoLG projected for 2019 is 48 per cent of the total for the entire replenishment period, due to the large amounts of delivery as well as cofinancing mobilized in the first year of IFAD11. This record delivery has translated into **34** new projects and **13** additional financing proposals to 40 countries.
66. Of the PoLG delivered, 30 per cent was in West and Central Africa, which has the largest concentration of countries with fragile situations and weaker institutions

¹⁷ This does not include global/regional grants and therefore the total is not US\$3.5 billion.

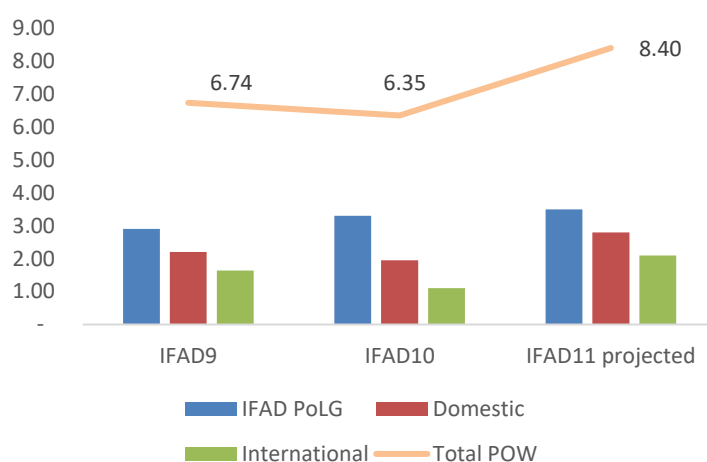
together with more challenging contexts and the greatest needs. The East and Southern Africa Division (ESA) received the highest level of total international cofinancing (37 per cent) mobilized for the year, while countries in the Asia and the Pacific region contributed more than 50 per cent of total domestic cofinancing. The Near East, North Africa and Europe Division (NEN) delivered 60 per cent of its IFAD11 financing, and in the Latin American and Caribbean Division (LAC) developed and signed the first IFAD project to be financed by the Green Climate Fund to cofinance the Resilient Rural Belize Programme (Be-Resilient).

67. The projected PoLG for 2020 is US\$1.06 billion. After the frontloading of investments during 2019, priority is being given to implementation by ensuring effective project start-ups, strengthened performance and quality during implementation.

Figure 4

Actual and projected PoW, IFAD9-IFAD11

(Billions of United States dollars)

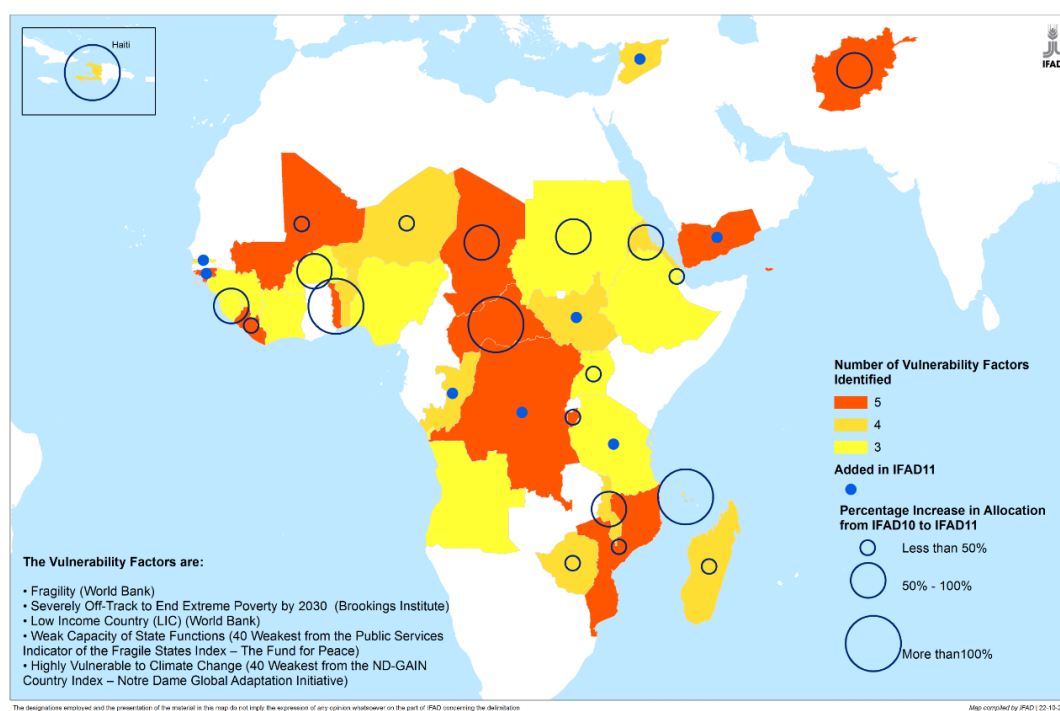


Increasing focus on the poorest and most vulnerable

68. The SDGs seek to “leave no one behind”. IFAD’s target groups are those most at risk of being left behind by non-targeted development interventions. Reaching the poorest people in the poorest countries requires an active approach towards targeting – in fact a significant factor in the declining rate of poverty reduction in recent years is the increasing difficulty of reaching poor people.
69. Through the country selectivity framework and the PBAS, IFAD11 resources have been channelled to reach the neediest countries. As shown in the map below, countries that are the most food-insecure and have certain vulnerability factors such as fragility are those where IFAD11 allocations have increased significantly. Such countries are also severely off track to end poverty by 2030, have weak institutional capacities and, often, experience high climate vulnerability.
70. In IFAD11, 25 per cent of the resources are expected to go to countries with fragile situations, with significant increases in allocations compared to IFAD10. The Central African Republic, where the poverty rate is 77 per cent, saw a 185 per cent increase in its allocation in IFAD11. Similarly, allocations increased by over 100 per cent in Afghanistan, Comoros, Haiti and Malawi. Other countries with fragile situations that had no allocations in IFAD10, such as the Congo, Democratic Republic of the Congo, The Gambia, Guinea-Bissau, South Sudan, the Syrian Arab Republic and Yemen all received allocations in IFAD11. At the same time, it is important to recognize that working in such contexts is difficult and, as noted in

the 2018 ARRI, “going the last mile is costly.” It follows that implementation challenges in such conditions are inevitable.

Figure 5
Increase in allocations in the most vulnerable countries



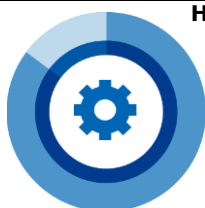
71. The 2018 ARRI learning theme on targeting recognized that IFAD needed to make more effort to ensure that resources are being targeted to those with the greatest needs. Regular evaluations by the IOE, as noted in both the 2018 and the 2019 PRISMA¹⁸ reports have found that more precision and clarity are needed in IFAD’s targeting approach.
72. The revised targeting guidelines clarify the targeting approach adopted by the Fund, ensuring that the target group is the poorest of the poor, directly or indirectly. The targeting guidelines include the mainstreaming of youth, nutrition, gender and climate vulnerabilities as well as indigenous peoples.
73. In revising the guidelines, Management recognized that it may be necessary to revise the targeting policy in the future. However, the immediate need was to provide teams with the necessary operational guidance for targeting the poorest.
74. The Fund also committed to the inclusion of persons with disabilities (PwD) as part of IFAD11. To do so, it first analysed the link between PwD and IFAD interventions, presented in a paper to the Executive Board entitled Economic Activities of Persons with Disabilities in Rural Areas: New Evidence and Opportunities for IFAD Engagement.¹⁹ The report highlighted positive examples from IFAD operations including in Cameroon, China and Honduras, where projects are proactively providing support to people with special needs. Five countries have been selected to pilot collecting data on PwD: Brazil, Georgia, Liberia, Malawi, and Nepal. Additionally, projects with a focus on disability are ongoing in Cameroon, China and Honduras.²⁰ IFAD is also developing a grant proposal in the Sahel to address the needs of this group.

¹⁸ President’s Report on the Implementation Status of Evaluation Recommendations and Management Actions.

¹⁹ EB 2019/128/R.7.

²⁰ EB 2019/128/R.7.

C. Resource utilization: Doing development differently



Headline: IFAD is doing development differently by moving from a project-centred approach to a country programme approach that better responds to partner country needs and demands. To lay the foundations for this shift, systems, policies and procedures required adjustments. Among the IFAD11 commitments under this pillar 84 per cent were successfully delivered. As a result, improvements in performance can be seen from design through implementation and completion.

Progress against IFAD11 commitments: 84 per cent of IFAD11 commitments completed (21 actions); four ongoing.

Progress against RMF indicators and other achievements

- Adopting a programmatic approach through country strategies following the approach outlined in the Transition Framework: 20 new COSOPs completed following new guidance in 2019.
- Responding to country needs and demands through diversified products and tailored approaches: five reimbursable technical assistance (RTA) operations, two results-based lending (RBL) operations and three regional lending operations are under way, while seven new COSOPs in countries with fragile situations included fragility assessments.
- High delivery in 2019 of US\$1.67 billion with enhanced focus, flexibility and agility in operations throughout the life cycle from design to completion. Average time from concept note to approval down from 17 months in 2016 to 10 months in IFAD11.
- Increased proactivity in addressing problems during implementation. Reduction in actual problem projects from 20 per cent in 2016 to 13 per cent.
- Performance on track for 2019 delivery on mainstreaming themes with US\$568 million or 34 per cent climate finance, 34 per cent gender transformative, 76 per cent youth-sensitive and 58 per cent nutrition-sensitive. 70 per cent of PCRs submitted on time compared to 41 per cent in 2016.

Priorities and challenges going forward

- Continued attention to gender, climate, nutrition and youth throughout the project cycle
- Leveraging decentralization to be more partner focused and more influential in country level policy engagement
- Monitoring demand for and success of piloted diversified products to scale up
- Sustaining proactivity on an increasing PoW under implementation
- Embedding knowledge management more deeply in IFAD's way of doing business

75. Overall, IFAD's approach to utilizing resources in IFAD11 is characterized by a shift to a more outward-facing orientation by placing partner countries at the centre. A key driver in this sense has been the decentralization to subregional hubs. The subregional hub model, with new roles and responsibilities for staff in hubs operating as delivery teams rather than as individual divisions or departments, has encouraged a holistic approach to IFAD's country programmes as more than a series of projects, and has enabled IFAD to be more present and responsive at the country level, both in national policy processes and in supporting project implementation.
76. IFAD also needed to adapt its policies, procedures, offer and approach to be more agile, responsive, flexible and adaptive to local contexts and provide integrated solutions to rural development challenges. The IFAD11 business model's "doing development differently" approach entails:
- (i) Adopting a programmatic approach at the country level to ensure that all interventions in any given country, both financial and non-financial, are part of a larger integrated approach to respond to the country-level challenges based on a continuous dialogue and country ownership.
 - (ii) Diversifying IFAD's offer to respond to increasingly sophisticated demands and more complex challenges faced by diverse partners.
 - (iii) Enhancing focus, flexibility and agility in the portfolio to ensure greater development effectiveness.
 - (iv) Harnessing and leveraging knowledge for learning and global engagement.

Adopting a programmatic approach

77. The Executive Board, at its 125th session, approved IFAD's Transition Framework (EB 2018/125/R.7/Rev.1), meeting an IFAD11 commitment. This document outlined a programmatic and tailored approach towards providing support to partners at the country level, as a context within which projects would be situated.
78. As part of the Transition Framework, IFAD revised its COSOP guidelines to ensure that country strategies become long-term transition strategies that can embed mid-course adjustments based on changing country conditions and priorities. The focus in COSOPs was enhanced specifically in the following areas: (a) identify the challenges in the country based on a situation analysis; (b) elaborate IFAD's comparative advantage and value added in the country; (c) include the clear strategic objectives IFAD will pursue in partnership with the government and other key stakeholders; (d) address the mainstreaming themes; and (e) include the lending and non-lending products IFAD will provide to achieve those objectives.
79. In light of the United Nations reform, new country strategies also need to be harmonized with the United Nations Sustainable Development Cooperation Framework to ensure greater coordination at the country level. IFAD country teams are actively engaging with the United Nations country teams on joint programming and planning to ensure full coherence within the system. In 2018-2019, 20 COSOPs were prepared following the new COSOP guidelines.
80. IFAD's increasing focus on policy engagement is reflected in the new COSOP guidelines, which ensure that IFAD's policy engagement objectives are articulated at the country strategy level – objectives backed up with dedicated resources for policy engagement at the subregional hub level. So too is its focus on partnerships, with teams required to prepare an annex to elaborate the strategic and select partnerships they will pursue in a given country in order to achieve the COSOP objectives.
81. In 2019, IFAD also developed guidelines to facilitate the inclusion of South-South and Triangular Cooperation (SSTC) elements in the COSOP preparation processes. These guidelines have now been fully integrated into the recently approved COSOP guidelines. All new COSOPs include an articulated narrative on SSTC beyond the IFAD11 target of 66 per cent. A more elaborate SSTC approach has been included in the new COSOPs for Liberia and Zimbabwe. Two additional COSOP missions were undertaken in 2019 to support the preparation of a dedicated SSTC narrative in Comoros and Guatemala.
82. **Rome-based agencies (RBAs) collaboration.** Although the RBAs have different mandates, instruments and governance structures within the agriculture and rural development space, they have come together around a common, collaborative agenda in an effort to build purposeful and productive partnerships. In May 2019, the RBAs collectively endorsed a two-year action plan for the period 2019-2020, which operationalizes the main provisions of the tripartite Memorandum of Understanding signed in June 2018. The action plan guides and monitors collaboration among the agencies. In this regard, the agencies are strengthening coordination efforts under the four pillars of Rome-based Agencies (RBA) collaboration: (i) country and regional collaboration (through joint strategies); (ii) global collaboration; (iii) thematic collaboration; and (iv) joint provision of corporate services.

Box 6

SSTC and the RBAs

SSTC is an increasingly important agenda for the RBAs, and cooperation is taking place in different forms and activities. In fact, collaboration on this topic is included as an explicit work stream in the recently adopted RBA collaboration action plan for 2019-2020. The RBAs have been working closely on several events and initiatives: for example, they have coordinated their joint participation in the Second United Nations High-Level Conference on South-South Cooperation (BAPA+40), by organizing events to raise awareness on joint work being implemented, as well as by jointly organizing the 2019 edition of the United Nations SSC Day celebration.

Diversifying IFAD's offer to respond to sophisticated demands and complex challenges

83. The Transition Framework recognized that every country follows a unique transition pathway and faces unique challenges. As a result, IFAD must tailor its support to country conditions.
84. Given IFAD's mandate, it has become increasingly important for it to engage in countries with fragile situations to build the longer-term resilience of rural poor people. Building on IFAD's strategy for engagement in countries with fragile situations, approved by the Executive Board in 2016 (EB 2016/119/R.4), the Fund developed a special programme to operationalize the strategy. The approach adopted includes a number of activities to strengthen support to such countries and addresses various forms of fragility (e.g. climate-related or security-related).
85. In order to identify the type of support necessary, IFAD needed to understand relevant country contexts. Therefore, in IFAD11, the Fund committed to conducting fragility assessments, similar to and building on those done by other partners, as part of the COSOPs in applicable countries. These fragility assessments identify the specific causes of fragility in countries, the challenges and the support IFAD can provide. In 2018 and 2019, IFAD produced eight COSOPs including fragility assessments, for the following countries: Central African Republic, Congo, Democratic Republic of Congo, Djibouti, Eritrea, Gambia, Liberia and Mozambique.
86. Countries with fragile situations require different working modalities, more flexibility, closer implementation support and different instruments for engagement. In addition to increasing allocations to certain countries with fragile situations, IFAD has found other ways of remaining engaged with fragile countries receiving no allocations due to arrears. In particular, it provides grants and partners with other development agencies to raise supplementary funds to support vulnerable communities through livelihood and food security projects building the longer-term resilience of communities.

Box 7

Providing differentiated support to countries with fragile situations**Somalia**

In the early 1990s, IFAD's portfolio in Somalia was suspended following the collapse of the State and the accumulation of arrears. Today, the Federal Government of Somalia is in non-accrual status with IFAD. The Fund's rules and procedures preclude it from providing core resources to countries in arrears, and no PBAS funds are currently earmarked for Somalia. Nonetheless, IFAD continues to find ways to remain engaged. In particular, it partners with other development agencies to raise supplementary funds, in addition to its own grants window funding, to provide support to vulnerable communities in the country through sustainable and resilience-building livelihood and food security projects. The current portfolio comprises of four projects worth a total of about US\$13.8 million that are directly contributing to improving livelihoods for close to 85,000 agro-pastoralist households. All projects are financed by grants (from IFAD, ASAP 2, the OPEC Fund for International Development and Italian supplementary funding) and implemented through third party partners (such as international and local NGOs and the private sector). Somalia's extreme fragility context poses a series of implementation challenges. Yet the projects have also achieved a significant number of important successes. For example, in Somaliland, IFAD has assisted the Government in setting up seed systems, watershed management, rangeland management and research. Throughout Somalia, IFAD has completed rehabilitation and conservation projects, supported climate smart agricultural practices adaptation, and managed the political risks for projects improving food security and building the resilience of communities against drought and climate shocks.

Sahel

The Sahel, with a population of 140 million that is expected to more than double by 2050, has one of the highest poverty rates in the world. This, together with changing weather patterns, will put increasing pressure on already scarce natural resources and is likely to generate more conflict. In the region, agriculture is the single most important contributor to economic and social development and provides the bulk of employment. Up to 70 per cent of the population and 80 per cent of the poorest depend on the agricultural sector for their livelihoods, jobs, income, food security and wellbeing. In response, the RBAs have formed and agreed upon a joint action plan in the Sahel region to bridge the gap between humanitarian assistance and long-term development. The plan is framed within the United Nations Integrated Strategy for the Sahel and represents the RBA contribution to the 2018-2030 United Nations Support Plan for the Sahel, the principal vehicle for contributing to the 2030 Agenda in the Sahel. The specific approach taken by the RBAs focuses on reducing needs and the root causes of vulnerabilities, and enhancing specific household, community and institutional capacities and assets for the prevention and anticipation of and in response to shocks and stressors that undermine the agricultural livelihoods, food security and nutrition of vulnerable people. The three agencies aim to build convergences and synergies across existing approaches that complement those of other partners and stakeholders. In Niger in August 2018, for example, the three heads of agency visited several shared projects, met with Niger's President Mahamadou Issoufou, Prime Minister Brigi Rafini and other partners and pledged to increase support to reduce poverty and hunger. Additionally, they underscored the importance of community and government-led initiatives through their support of the country's initiative Nigeriens feeding Nigeriens.

Mozambique

IFAD has continued to address the most hazardous vulnerabilities and strengthen its mainstreaming approach in Mozambique, a country classified as fragile by the World Bank. Despite the country's challenging context, IFAD has committed to address climate vulnerability and build resilience in Mozambique, which has recently suffered major weather events such as floods, drought, late rains and cyclones, and is considered the third most climate vulnerable country in Africa. For example, through its Small-scale Aquaculture Development Project, the Fund's project activities are directly responding to climate vulnerability through its aims to assist the development of aquaculture seeds, improve smallholder production using climate smart aquaculture technologies and practices, and strengthen policy and regulatory framework for aquaculture. Current programming has resulted in over 30 per cent climate finance for the project. Additionally, through its Inclusive Agrifood Value Chain Development Programme, the Fund aims to increase incomes and livelihoods from climate-resilient agrifood value chains by rural women, men and youth. This project has been validated as youth-sensitive and has nearly 50 per cent climate finance.

87. Under IFAD11 the Fund set out to diversify its product offer to better respond to the increasingly sophisticated and differentiated demands of partner countries. Diversified products can also provide powerful ways of engaging in countries outside the traditional loan programme. Under IFAD11, therefore, the Fund has piloted two new financial products: RBL and regional lending. Although other organizations already offer similar products, IFAD is in the process of designing, delivering and examining results to generate lessons. These lessons will multiply as the products are implemented and approach maturity. The success of these pilots and future demand will eventually determine the degree to which they will be scaled up in future cycles.

Box 8

Diversified products and approaches

Three new RTA approaches have been developed in countries without IFAD11 PBAS allocations. For example, there are currently active RTAs in Mauritius and Saudi Arabia, and new RTAs in Cabo Verde, Chile, Equatorial Guinea and Guinea. Other RTAs are under consideration, complementing lending programmes in some cases.

RBL operations have been developed in Cuba and two projects are being developed in China using this approach. Draft guidelines are being revised based on these pilots to help other countries interested in rolling out RBL operations in 2020 and beyond.

A regional operation is being explored as a pilot between Benin and Togo, and there are plans to develop another project in the G5 Sahel countries. IFAD is examining the modalities of the regional operation and it is expected that this would be approved in 2020. Lessons from these regional lending operations will inform the further scaling up and adaptation of this instrument.

Joint RBA country strategies In line with commitments made to the RBAs' respective governing bodies, there has been a strong impetus behind more systematic collaboration, in particular by scaling up existing country level collaboration. Specifically, the RBAs are developing joint strategic planning and programming, at country level, initially in three pilot countries by end of IFAD11. Based on agreed upon criteria and following internal consultations and feedback from regional and country representatives, the following three countries were selected: For Latin America/Caribbean – Colombia; For Asia/Pacific – Indonesia; For Africa- Niger.

88. Since the adoption of the framework governing the implementation of RTA services in 2016, a number of Member States have expressed interest in them, as can be seen in the table below. Given the previous slow pace of delivery, Management undertook a review of practice that was presented to the Executive Board in September 2017, and the pipeline of RTAs is currently expanding. Challenges remain to ensure that the instrument delivers maximum impact in a large number of countries.

Table 5
Status of ongoing and planned RTAs
(Millions of United States dollars)

<i>Client</i>	<i>Donor/Client</i>	<i>Amount</i>	<i>Duration</i>	<i>Type of assistance</i>	<i>Year</i>	<i>Status</i>
Mauritius	Government	1.2	36 months	Capacity-building and technical assistance to develop a national policy	2016	Implementation ^a
Saudi Arabia	Kingdom	4.0	36 months	Provision of sector-wide policy advisory services and support to the implementation of designated initiatives	2017	Implementation ^a
Algeria	Technical support through RTA to help Algeria access new markets and create job opportunities for youth				2018	Under discussion
Botswana	The Ministry of Finance is considering a request for IFAD assistance through RTA				2018	Under discussion
Chile	Government	TBD	TBD	IFAD is sharing its expertise on rural development approaches in building resilience among its vulnerable population, particularly through work with indigenous peoples in the Araucania region	2018	Under discussion
Costa Rica	Government	TBD	TBD	TBD	2019	Under discussion
Peru	Government (Ministry of Agriculture and Ministry of Finance)	0.3	12 months	Advisory assistance to the Government on smallholders' access to markets	2019	Under discussion
Cabo Verde	Government	0.2	6 months	Advisory assistance to the Government on the creation of a green climate bond	2019	In progress ^b
Equatorial Guinea	Government	TBD	TBD	Operational RTA to design an investment project	2019	Under discussion

^a Implementation means that action has been undertaken to initiate the actual implementation of RTA activities.

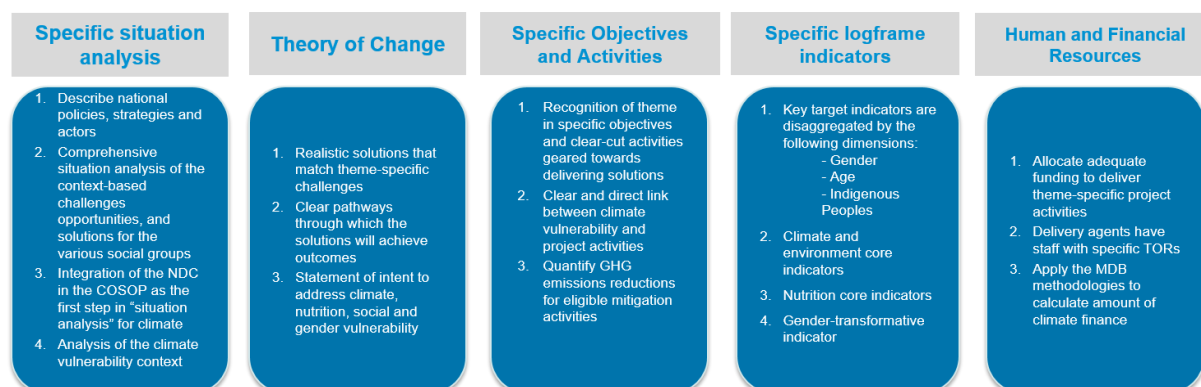
^b In progress means that an official milestone has been achieved, such as IFAD receiving a government request letter, a contract having been signed or any other official commitment.

Enhancing focus, flexibility and agility in operations

89. In order to be better and smarter as envisaged in the Strategic Framework 2016-2025, in 2016 IFAD developed the DEF, which serves as the organizing principle for IFAD's new business model. This set the stage for what followed: (i) an institution with a strengthened focus on results throughout the project cycle; (ii) additional attention to self-evaluation; (iii) a commitment to strengthen monitoring and evaluation (M&E) in the rural sector more broadly; (iv) more evidence-based portfolio management; and (v) improved linkages between project M&E and corporate results reporting. Following the adoption of the DEF, IFAD initiated activities in IFAD10. In IFAD11, the Fund consolidated a range of specific commitments linked to the IFAD11 business model that would enhance the development effectiveness of the PoW throughout the project life cycle.
90. **Designing agile, implementable and high-quality projects.** Building upon IFAD's experience in designing high-quality projects, a new design process with cross-departmental responsibilities was introduced in line with the IFAD11 commitment. The aim was to render the operations review process more agile, increasing flexibility to fast-track evidence-based designs and low-risk projects. This entailed making a series of major changes in project design. First, IFAD shifted the responsibility for project design away from a single individual to encourage a culture of co-responsibility among programme and technical divisions working together on a project design team. Second, a risk-based approach was introduced generating different requirements in terms of design and review for: high-risk projects in need of stronger corporate attention (track 1), standard operations (track 2) and approaches such as additional financing that can be fast-tracked (track 3). Finally, the review process was streamlined to ensure that project teams received high-level strategic feedback on their projects, summarized in a development effectiveness matrix that draws on the DEF concept.
91. All investments made in IFAD11 will have fully delivered their impact upon completion of the 2030 Agenda for Sustainable Development (Agenda 2030).²¹ This is an opportunity, but one that comes with great responsibility to ensure that quality is at the core of a large PoLG that fully embeds the Fund's priorities, and addresses the SDGs and the mainstreaming themes at the design stage. Therefore, in addition to efficiency in delivery, Management is closely monitoring the quality of these designs and will report on them through the 2020 RIDE.
92. **Mainstreaming youth, gender, climate and nutrition at design for transformational impact.** IFAD took on commitments to ensure that all investments made during the IFAD11 period sufficiently mainstream climate change, youth, gender and nutrition. Although these themes are not new, the approach to embedding them has changed and become more precise.
93. For the first time in 2019, the Fund has systematically and rigorously screened all new projects for their contribution to IFAD's mainstreaming themes. These validation exercises are done centrally on all new project designs to ensure consistency, quality and transparency. Adopting the MDB methodologies for Tracking Climate Change Adaptation and Mitigation Finance to produce climate finance estimates has meant building upon existing procedures and establishing new ones where needed. For gender transformational, nutrition-sensitive and youth-sensitive designs, eligibility criteria were defined to enable screening of projects.
94. IFAD put in place a cross-departmental system to ensure that projects under design met the targets for the mainstreaming themes. Project design teams work to ensure that social inclusion and environment and climate change are fully incorporated into the logic of the project (see figure 6 below).

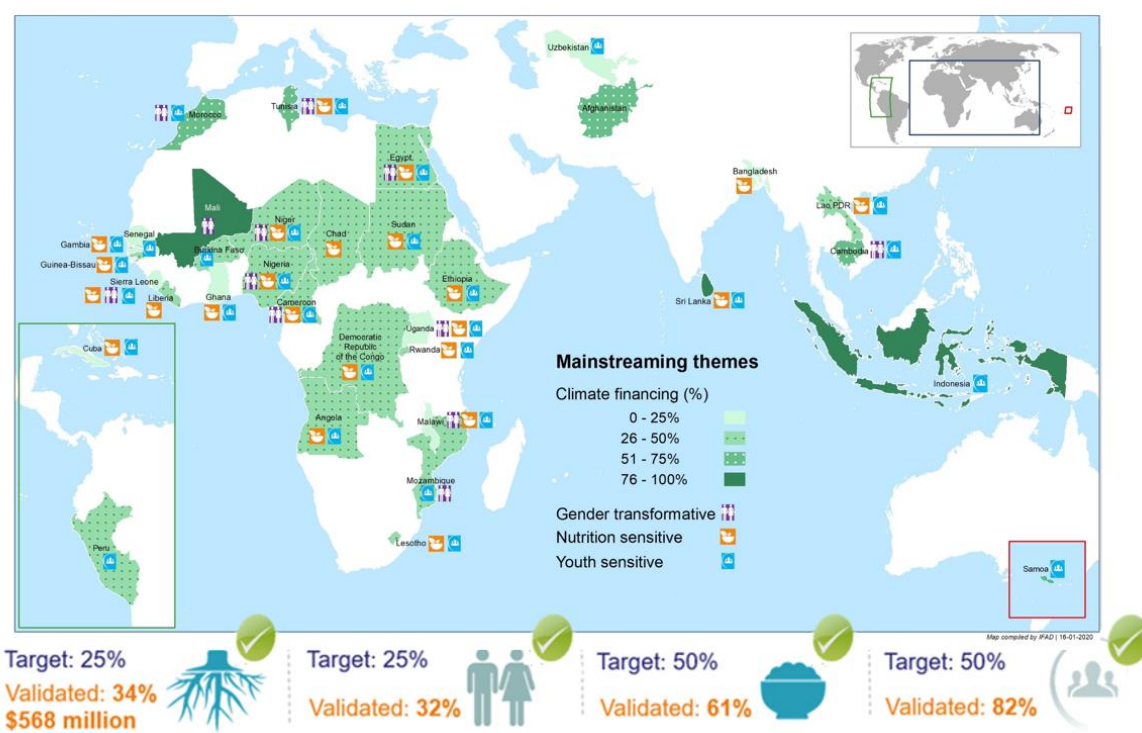
²¹ As noted in the document Enhancing IFAD11 business model to deliver impact at scale (IFAD11/2/R.3).

Figure 6
Social inclusion, environment and climate in IFAD11 projects



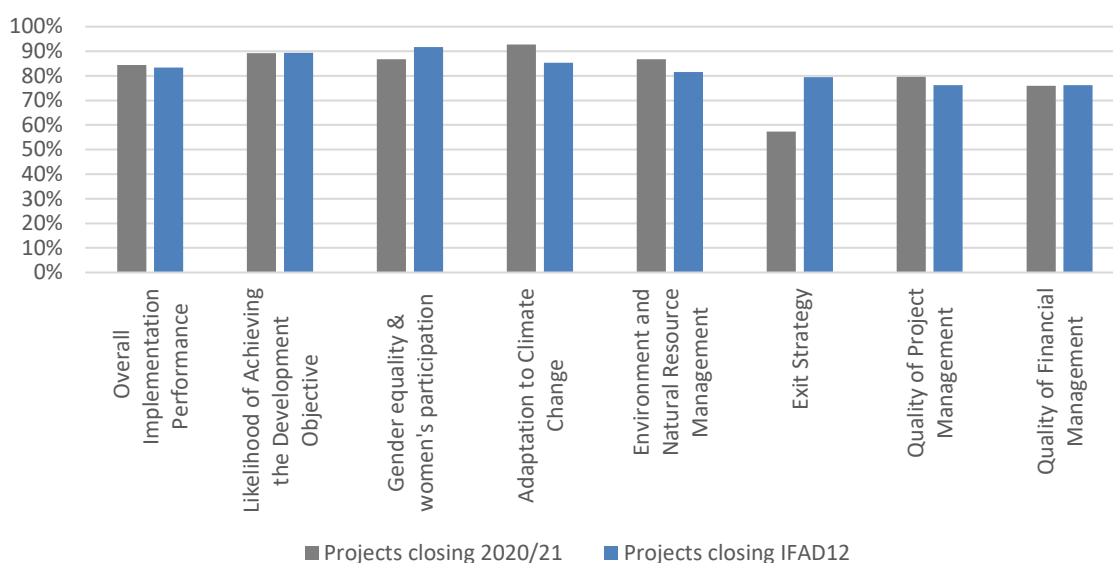
95. The 2019 project approval validations for the mainstreaming themes show that the targets at design set for climate finance, gender, youth and nutrition have been surpassed:
- US\$568 million in climate finance has been validated – equivalent to 34 per cent of IFAD’s 2019 financing.
 - 32 per cent of projects have been validated as gender transformative.
 - 61 per cent of projects have been validated as nutrition-sensitive.
 - 82 per cent of projects have been validated as youth-sensitive.
96. This means that more projects have been designed to have a transformational impact on gender, to build in attention to young people’s needs and opportunities, and to be sensitive to ways to improve nutritional outcomes. It also means that while the dollar value target for IFAD11 climate finance (US\$875 million) has yet to be achieved, the percentage share of IFAD financing for adaptation and mitigation of climate change is rising and climate finance already looks promising for IFAD11 as a whole. These data are based solely on 2019 approvals, and Management is confident that with the attention and resources now being devoted to these areas, the targets for all mainstreaming themes at design will be met or exceeded over the entire IFAD11 period (see annex I).

Figure 7
Embedding gender transformation, youth, nutrition and climate finance at design



97. **Adaptive portfolio management and proactive implementation support.** IFAD is currently managing 186 projects that are active (either disbursing or having entered into force). With the new approvals in 2019 and the planned delivery of the remainder of the PoLG in 2020 and 2021, the volume of the ongoing portfolio is expected to expand significantly over the next few years. The active portfolio mix currently includes projects with approvals that date back to IFAD8 as well as more recent approvals from IFAD10, and in the coming years will include those approved during IFAD11.
98. An important shift in IFAD's approach over the years has entailed placing a far stronger emphasis on measuring success based on the results achieved. IFAD has delivered a high volume of PoLG in 2019. However, much work remains to be done as these projects start up and are implemented, since it is the health of the ongoing portfolio that will determine the results that IFAD-financed projects will eventually achieve at completion and their contribution to the SDGs.
99. Although IFAD-supported projects are implemented by national governments, IFAD has a key role to play as a partner providing supervision and implementation support. Based on ratings carried out by IFAD supervision missions, projects scheduled to close during the remainder of the IFAD11 period (2020-2021) and during IFAD12 are currently on track to meet the targets. However, there remain significant challenges to continue delivering high-quality projects, particularly as projects become larger and are more concentrated in countries with fragile situations or weak institutions. Additionally, there is room for IFAD to do more in working with governments on post-project sustainability by strengthening exit strategies, particularly in projects closing in 2020 and 2021, as shown in figure 8 below.

Figure 8
Performance of ongoing projects assessed through supervision ratings



- 100. **Strengthening implementation support from start-up.** IFAD assesses its own performance and support during the life of a project through a range of performance indicators and measures. Significant progress has been made on portfolio management over the IFAD10 period, as reflected in figure 9 below.
- 101. Nonetheless, challenges remain. Further actions are required to meet the IFAD11 targets by end-2021, particularly at start-up, by further reducing implementation lags. Such lags have a negative impact on project efficiency by cutting into the actual implementation phase, and result in projects not being able to implement activities within the planned timeframe. Project sustainability also suffers, as activities that typically require a longer gestation period need to be done within a shorter timeframe.

Figure 9
Focus on portfolio management: 2016 vs 2019²²



²² As of October 2019 unless otherwise indicated. As at the end of 2019 the PCR disclosure has increased to 73 per cent.

102. In line with the IFAD11 commitments, IFAD has been working on three key areas to intensify start-up and implementation support: focusing on instruments in support of start-up, preparing a disbursement action plan and approving a restructuring policy. First, IFAD committed to not only designing more realistic and implementable projects but also to providing additional start-up support to partner countries where implementation capacities are weaker. FIPS, an IFAD11 commitment, was approved by the Executive Board in 2018 (EB 2018/125/R.38) and is now being used. Using financing available under FIPS, projects can undertake certain preparatory activities such as baseline studies, recruitment of project management unit staff and Social, Environmental and Climate Assessment Procedures (SECAP) studies.

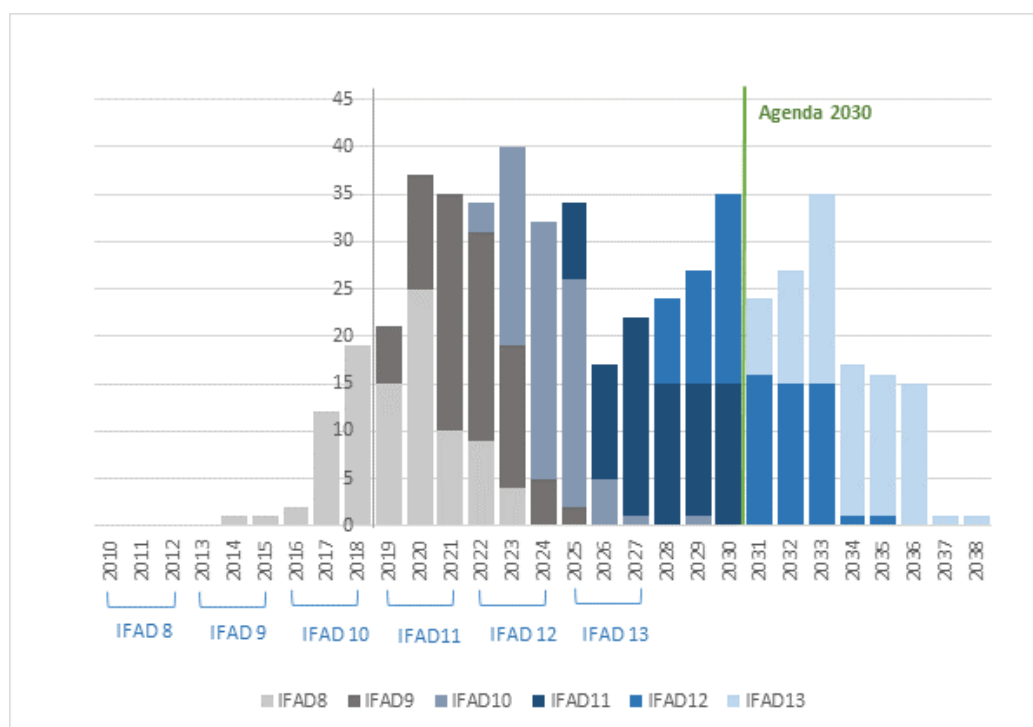
Box 9

Instruments targeting countries with fragile situations

Instruments such as the newly developed FIPS facility were targeted to all countries with start-up delays, including those with fragile situations. Of the first set of five countries to access the instrument in 2019, three are countries with fragile situations: Gambia, Guinea Bissau and Niger. Management is closely monitoring the impact of the FIPS on implementation progress in these countries.

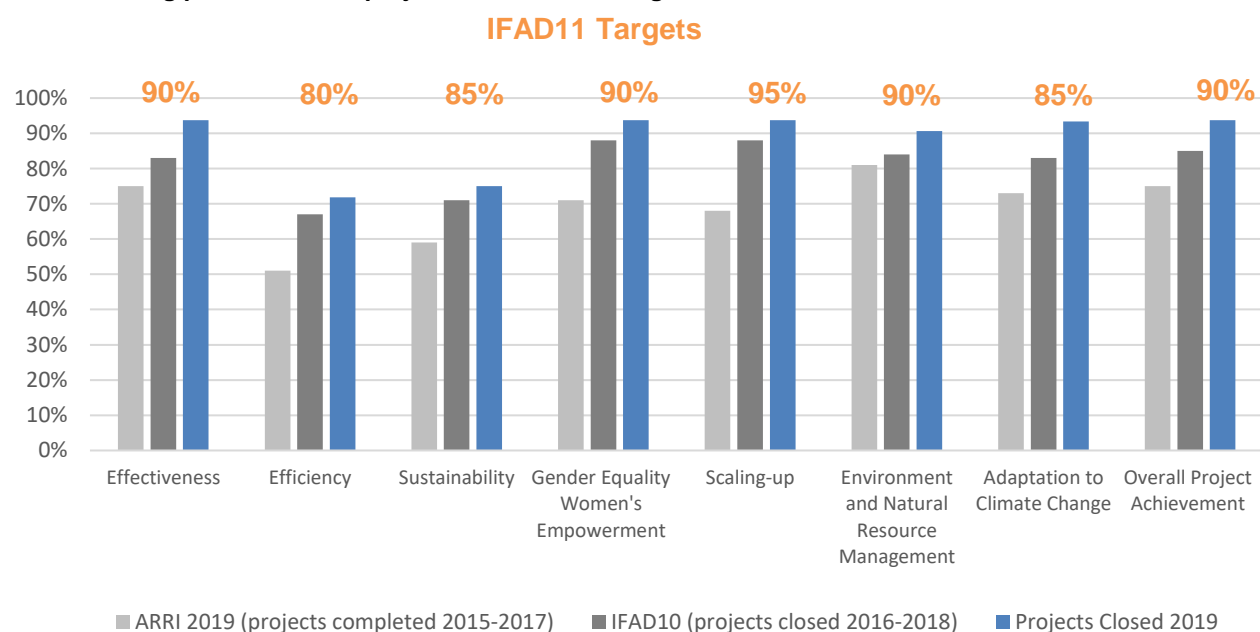
103. Second, IFAD committed to implementing its disbursement action plan. This is another area where both IFAD and the MOPAN assessment indicated that past performance had been weaker. The plan, through a series of interlinked activities, aims at improving disbursement performance and the overall corporate disbursement ratio. As a result of these activities, the disbursement ratio by the conclusion of IFAD10 had risen to 17.8 per cent, compared to 12.8 per cent in 2016. Management has also enhanced its focus on procurement by creating and filling positions for regionally mapped procurement officers and a lead procurement advisor in the Operational Policy and Results Division (OPR). This attention to procurement has also helped improve the disbursement ratio and reduce the time to process withdrawal applications from 18 days in 2016 to 14 days at present.
104. Third, IFAD prepared a project restructuring policy to provide country teams with a menu of solutions to proactively manage projects that were unlikely to meet their development objectives. As noted in the 2019 RIDE, in the absence of such a policy, projects that closed with less than satisfactory achievement of outcomes at completion were typically those that had been identified as problem projects at some point during their life cycle. Management has committed to keeping the Executive Board informed of the restructuring exercises that take place each year.
105. The impact of these reforms, and IFAD's attention to quality at design, are already showing results in terms of improvements in performance indicators for newly designed projects. For example, the time from entry into force to first disbursement has declined from 12.5 months in 2016 to 8.1 months in 2019. This is a reflection of the increasingly implementable and simpler nature of projects. However, it is important to note that the full impact of these on project-level efficiency and sustainability, which are assessed at completion, will only be realized over the coming replenishment cycles when these projects reach maturity.
106. **Closing the loop: performance assessed at completion.** Given the natural lag between project design and project closing (project last on average six years and have become shorter over time), the ratings and impact assessments reported during the IFAD11 cycle relate to projects designed during earlier replenishment cycles. Similarly, the impact and performance of projects designed in IFAD10 and IFAD11 will not be reported on until IFAD12 at the earliest.

Figure 10
Projects reporting at completion by replenishment cycle approvals, IFAD8 to IFAD13



107. The 2019 ARRI evaluated a set of 57 projects completed between 2015 and 2017, most of which had been designed during IFAD7 (2007-2009) or earlier. The report highlighted weaker performance on efficiency and sustainability. With the increasingly narrow gap between IOE and Management ratings at one third of a percentage point, and the rising quality of project completion reports as rated by IOE, projects with more recent closing dates to be included in future editions of the ARRI are expected to show performance improvements similar to those reflected in IFAD self-evaluations. Nonetheless, Management has internalized the learning from IOE evaluations and the determinants of performance against efficiency and sustainability and is addressing them through a range of reforms and initiatives.

Figure 11
Benchmarking performance of projects closed in 2019 against IFAD10 and the 2015-2017 ARRI results



108. **Project completion reporting.** IFAD follows the Organization for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) evaluation methodology to assess the performance of projects at completion. This approach is harmonized with that used by IOE. These ratings-based assessments at completion provide an indication of performance against evaluation criteria such as effectiveness, efficiency, sustainability, relevance and rural poverty impact. IFAD also uses other criteria, including environment and natural resource management, climate change adaptation and gender equality. While these ratings-based assessments provide a robust indication of performance during the life of the project they do not fully quantify results, outputs, outcomes or impact.
109. Other organizations rate fewer criteria at completion. The World Bank, for example, rates only three: achievement of development outcomes, World Bank performance (including quality at design and quality of supervision support) and borrower performance. Since ratings-based assessments relate to performance, these indicators appear in the performance tier and not the results tier of the World Bank's corporate results framework. This streamlined approach to assessing performance at completion not only allows for a more in-depth reflection on own performance but also generates clearer lessons on shortcomings and areas for improvement. Management will work with IOE through the implementation of the peer review recommendations to streamline its own completion reports in order to maximize learning.
110. In view of the rollout of the DEF and the increasing focus on quantifying the impact, results, outcomes and outputs of its operations, IFAD can now reduce its reliance on ratings-based assessments at completion and instead use aggregated core indicators at the outcome level. For IFAD11, the Fund has already moved away from using a rating-based assessment of rural poverty impact to reporting quantified impact through impact assessments. IFAD is also finalizing the methodology for outcome surveys, to be applied to the entire portfolio. This standardization of the outcome assessment methodology and harmonization with the impact assessment methodology will further increase the robustness of the outcome level results reported against the core indicators for IFAD11 onwards.

Harnessing and leveraging knowledge to become a learning organization

111. An important outcome of the DEF's theory of change was to enhance learning within the organization to make more evidence-based decisions. This meant that the Fund needed to be more proactive, from knowledge generation to knowledge documentation to knowledge utilization. A new Knowledge Management Strategy, together with an action plan, was approved by the Executive Board at its 126th session (EB 2019/126/R.2/Rev.1). A strong knowledge management strategy supported by a results-based action plan has become increasingly pertinent in a decentralized structure where localized knowledge needs to be connected globally.
112. The knowledge generated by IFAD serves three purposes: first, performance management, by using knowledge for evidence-based operational decision-making and course corrections; second, deepening the organization's knowledge and understanding of rural development-related topics and sharing that knowledge beyond the organization; and third, at the global policy level, generating topical knowledge that informs global policy debates on areas that are at the heart of IFAD's mandate and require global attention. The knowledge management strategy and action plan facilitates all of these areas. However, there is scope for the organization to do more on using these lessons and incorporating them systematically. The knowledge management strategy and action plan will facilitate the uptake of knowledge, monitoring the process closely with the use of a number of indicators outlined in the results framework.

113. At the project level, the operational results management system (ORMS) ensures that lessons from operations are well documented and can be distilled easily to inform new designs. Furthermore, new operational templates contain sections on lessons learned to ensure that lessons are embedded. In addition, IFAD has much tacit knowledge in its staff that the knowledge management strategy highlighted the need to tap into. Sharing of experiences has become part of IFAD's operations academy and other regional and global operations retreats that provide an opportunity for staff interactions and learning.

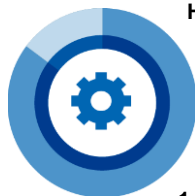
Box 10

Sharing knowledge and experiences across countries of the Global South through the Rural Solutions Portal

The IFAD Rural Solutions Portal aims to capture and scale up innovative and proven solutions for improved rural transformation. The Portal currently hosts 44 solutions on a variety of themes from IFAD-funded activities. A results framework for the Portal has been developed, with clear indicators and targets, which will allow IFAD to more systematically monitor, assess and report on the Portal's results. One area where more efforts will be invested is the promotion of the uptake of solutions contained in the Portal, in order to fully realize its potential and objectives. To this end, the Portal will be further populated with solutions from IFAD and other development partners, to ensure that the solutions available in the Portal adequately inform new COSOPs and IFAD-funded projects and grant activities.

114. **Learning from independent evaluation.** A strong independent evaluation function is vital for an institution's credibility, transparency and learning. In the case of IFAD, IOE's recommendations over the years have informed projects, country strategies and corporate policies, strategies and changes. Additionally, the evaluation function at IFAD went through an important external peer review exercise to make it fit for purpose in responding to the changing needs and context. An area that the peer review highlighted as needing strengthening was the learning dimension from evaluation. Management and IOE have worked together to develop an action plan to implement the recommendations of the peer review, and an important outcome will be a new evaluation policy, developed for the first time jointly by Management and IOE. An important focus in the implementation of these recommendations will be on the learning dimension of evaluations and ensuring that evaluations and lessons generated are relevant, timely and easily accessible to teams.

D. Transforming resources: Embracing a culture of results and innovation



Headline: An important and significant internal reform agenda has been implemented, building upon decentralization. The reforms have been supported by significant cutting-edge enhancements to systems. Through the reform process, gaps in the institution were identified, both in the hub model and in terms of staff skills and capacities in light of the Fund's future ambitions under IFAD 2.0. Further reforms and alignment will need to be informed by the various assessments and studies now under way, building in particular on the lessons learned through implementation of the IFAD11 business model.

1. Progress against IFAD11 commitments: 70 per cent of related IFAD11 commitments met (nine actions); one in the pipeline, three ongoing.

Progress against RMF indicators and other achievements

- Decentralization: an increase from 15 per cent to 30 per cent of staff decentralized. Increased cross-departmental collaboration with the concept of joint ownership through project delivery teams.
- A new bottom-up and results-focused budgeting process instilled.
- Strengthened IT systems and connectivity. ICP rolled out to 63 per cent of projects. ORMS system fully rolled out. Dashboards developed.
- Investments in external in-country capacity-building on financial management, procurement and M&E through grant funding of over US\$14 million.
- Significant progress on implementing the transparency action plan. An increase from no PCRs disclosed previously to 73 per cent disclosed in 2019. External dashboards launched.
- Enhanced workforce capacities with the decentralized delivery of the Operations Academy and the first centralized global operations retreat.

Priorities and challenges going forward

- Fine-tuning the hub model and instilling a culture of cross-departmental work to avoid silos between headquarters and hubs
- Strengthening workforce capacity and skills
- Continued attention to strengthening the institutional architecture on sexual harassment and sexual exploitation and abuse
- Embedding principles of change management and behavioural insights in the implementation of reforms
- Promoting a culture of innovation by encouraging risk taking while institutionalizing a strong enterprise risk management framework for scaling up

115. The first three pillars of the business model – resource mobilization, resource allocation and resource utilization – focused on changing the way IFAD does development by making necessary adjustments at the policy, procedural and system level to enable the organization to deliver on growing ambitions. The last pillar of the business model – transforming resources – focuses on changing cultures and behaviours within the institution and among stakeholders. This requires shifts in mentalities, habits and relationships that can only be achieved over time by embedding change management into reform processes. Five key areas of reforms are enabling this: decentralization, capacity-strengthening (both internal and external), transparency, innovation and enhancing IFAD's service delivery platform.

Box 11

From policies and systems to capabilities and culture: changing behaviours and cultures

The 50 monitorable actions included in the IFAD11 commitments represent Members' desire to see a significant change in policies, frameworks and strategies, with enhanced reporting methods, systems and instruments, in order to achieve IFAD11's theory of change. Far fewer of the commitments directly address the needed accompanying changes to staff capabilities and organizational culture to effectively implement these strategies or systems.

There are sound reasons for this: it is both easier and quicker to implement and quantify the implementation of policies and systems than it is to measure or implement a change in capabilities and culture. While organizations can take decisive action to make changes to the way they do business (policies and systems), it takes time for capabilities and culture to catch up, even if changes to the way people must *do* their work can begin to shift the way people *think* about their work.

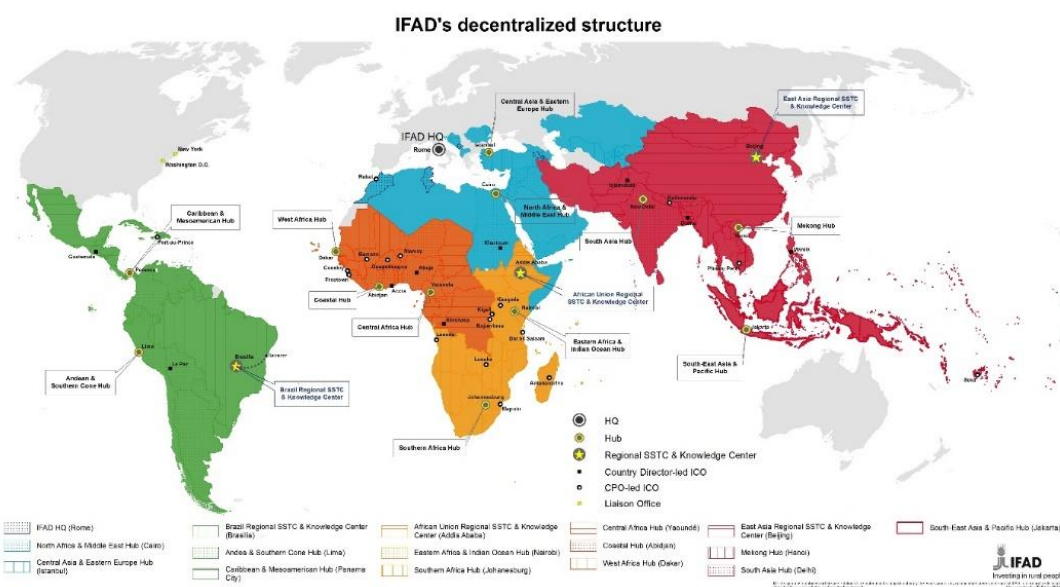
Studies on the implementation of new ways of working in organizations such as the World Bank have shown that even when there is high level management support for a change, specific leaders delegated to implement the change and task forces to structure the process, changes are likely to remain superficial or poorly implemented in the presence of, disagreement among staff on the potential benefits or limited capacity.

In the context of IFAD11, the majority of the monitorable actions (30 out of 50) call for putting in place new strategies, plans or policies to govern the way that IFAD mobilizes, allocates and utilizes resources. A further 13 seek to enhance reporting systems and instruments. Only six seek to effect a cultural shift (e.g. the implementation of frameworks or approaches) and only one focuses on capacities, albeit of project staff rather than IFAD staff.

Getting closer to those IFAD serves through a decentralized model

- Decentralization and organizational realignment lay at the heart of the internal reform agenda initiated under IFAD10. During the IFAD10 period, the Fund consolidated previous decentralization efforts and developed a hub model with all operational and most technical staff decentralized (see figure 12 below). As a result, the proportion of staff positions in the field rose from 15 per cent during IFAD10 to the current 30 per cent, with an end-IFAD11 target of 33 per cent. In addition to the increase in hub staffing levels, the roles of the people working in the hubs were also diversified: country teams are now complemented by technical experts on environment, climate and social inclusion, and financial management. This has encouraged a culture of cross-departmental collaboration to deliver and implement projects.

Figure 12
Map of IFAD's decentralized structure

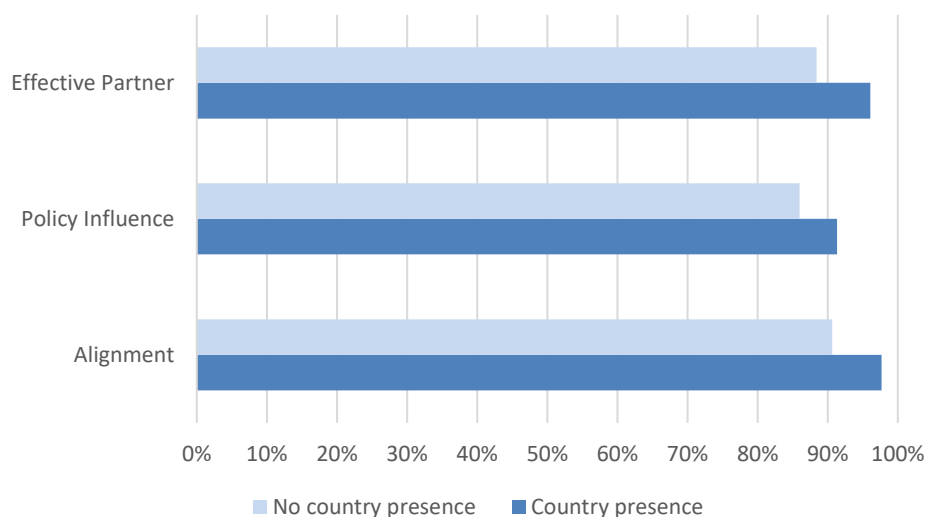


- Decentralization has facilitated partnerships with both governments and other development partners, as evidenced by improvements in cofinancing ratios, closer and more regular engagement at the policy level and enhanced visibility. Already in the 2019 client survey, partners rated IFAD higher on key domains such as

partnerships, policy engagement and alignment with national priorities in countries where it has a physical presence; a counterpoint to the ARRI's reporting on declining performance as a partner.

Figure 13

IFAD 2019 client survey results – comparison of country presence with no country presence



118. This shift in IFAD's operating model has also changed the organization's culture and approach to doing business. Decentralizing required headquarters to be strengthened and made fit for purpose to support the new structure. OPR was created as part of the exercise, in line with the DEF, within the Programme Management Department. This enhanced the results culture and focus with a dedicated division which ensures the corporate agenda is sufficiently incorporated into country programmes.
119. While decentralization is a key element of the reform agenda, in order to maximize IFAD's contribution to the 2030 Agenda it needs to be accompanied by an appropriate delegation of authority and accountability framework. Within the first year of the IFAD11 period, IFAD implemented the logistical and structural aspects of decentralization and rolled out the accompanying delegation of authority framework: 100 per cent of investment projects are managed by IFAD Country Offices (ICOs) or hubs and management of 70 per cent of the supervision budget is now decentralized. Through the framework, Management ensured that the necessary checks and balances were in place before delegating authority.
120. Decentralization has come with a set of initial challenges, in terms of both logistics and human resources. Management is working actively to fill the remaining vacant positions, particularly in operational teams, as well as to provide additional human resources support and learn from the rollout of decentralization as to emerging challenges and areas requiring corporate attention. Embedding a culture of cross-departmental planning and collaboration in programme work required new attention from senior Management and new ways of working at the field level. And not all teams immediately understood the value of joint accountability between country and technical colleagues on project design and implementation. Nonetheless, Management is confident that decentralization will bridge an important gap at the operational level and will gradually contribute to greater development effectiveness.

Box 12

Initial lessons from decentralization

Between November 2018 and March 2019, approximately 130 colleagues across regions participated in “lessons learned” missions related to decentralization in 14 of the 15 subregional hubs (the mission to Turkey was postponed as the hub was not yet operational). The missions created a space early during the implementation of decentralization for staff to share their experiences or questions and fine-tune support for colleagues in the field. The key findings demonstrated progress towards IFAD’s client-driven focus. Decentralization results in closer proximity to clients, enhanced country-level engagement, higher demand due to increased technical staff in country, fast-tracked financing and increased flexibility during design. Operationally, the missions found that most of the new hub teams collaborated, via meeting practices or platforms, to identify emerging best practices and corrections to advance the hub concept.

The missions also identified areas where IFAD needs to focus its efforts to continue effectively implementing decentralization. There is a need to clarify roles and responsibilities across functions, divisions, hubs and headquarters, particularly in knowledge management and communications. Additionally, the Fund can further refine and clarify the hub concept, including expectations for SSTC and positioning within the United Nations framework. The mission recommended the provision of more comprehensive logistical briefings for staff prior to out-posting, swift implementation of the new delegation of authority framework, enhanced administrative functions in-country and stronger organizational change management to address the impact of change on staff. Management continues to monitor the implementation of decentralization and increase its effectiveness through communal reflection.

Strengthening capacities, systems and technologies

121. **Strengthening internal capacities.** Decentralization was the most significant change for the organization during the IFAD10 period. Yet decentralization needed to be accompanied with the necessary systems, procedures and approaches to fully support the solutions-oriented culture that the IFAD11 business model aspired to instill.
122. To support decentralized operations and new staff, the Operations Academy conducted five offerings of its regional training module “Enhanced country-based model in a realigned organization” to all operational staff. The module trained staff on new business procedures, roles and responsibilities. It was delivered to 230 staff in all five regions: in Kenya and Panama in 2019, following successful delivery in Ghana, Indonesia and Morocco in 2018. Following the rollout of the first module, in 2019 a second module was delivered in the Asia and Pacific region with a focus on the mainstreaming themes and risk in operations (including procurement and SECAP). In 2020, the second module will be rolled out to all other regional divisions.
123. In November 2019 the first global operations retreat was held in Rome, a little more than a year after the full rollout of decentralization. It served to bring all operational staff together to reflect on the Fund’s first fully decentralized year, share experiences, identify bottlenecks and develop solutions, connect with emerging priorities and consolidate a number of areas including the mainstreaming agenda.
124. Corporate-wide financial capacity is being strengthened under the leadership of the Accounting and Controller’s Division, with the successful implementation of a corporate financial qualification programme through the Chartered Institute of Public Finance and Accounting, available to staff at headquarters and in the ICOs.
125. These capacity-building efforts are supporting the implementation of the IFAD11 business model. However, as the Fund ventures into new areas of work envisaged under IFAD 2.0 that require diversified skills and capacities, further attention will need to be devoted to enhancing workforce capacity and skills more broadly in the organization.
126. **Strengthening external capacities.** IFAD has long recognized that building national capacity at the country level is vital, not only to ensure that IFAD-supported projects achieve development impact but also as a global public good to strengthen capacities and systems in countries for longer-term sustainability. It has been an innovator and a pioneer in strengthening in-country capacities in the rural sector. Recurrent recommendations from IOE and from self-evaluation have

highlighted that weak implementation capacities – particularly in financial management, procurement and M&E – are a major factor in the underachievement of development outcomes.

127. In 2016, IFAD launched its first ever global certification and training framework in the Program in Rural Monitoring and Evaluation (PRiME). Now entering its second phase, PRiME has trained 164 project staff from 146 projects in 82 countries in the fundamentals of rural M&E. Furthermore, in partnership with IOE, PRiME developed an advanced impact evaluation course that was delivered to 57 participants from 49 different organizations in 28 countries.
128. Building on the successful model of PRiME, IFAD is now undertaking similar initiatives in financial management and procurement. Both these programmes are being launched under IFAD11 and will provide systematic capacity-building in public financial management and procurement at the country level.
129. Nonetheless, weak capacities continue to be the main driver of poor implementation performance, particularly given IFAD's focus on the poorest countries and the hardest to reach rural areas. While the aforementioned capacity-building initiatives are expected to improve country capacities, it is important to recognize that project staff turnover remains a challenge.
130. **Strengthening information and communication technologies, systems and functionalities in a decentralized environment.** The rollout of the ORMS was completed in line with the IFAD11 commitment. ORMS aggregates project-level data at the corporate level, capturing the complete project cycle from design through completion. In this way the system promotes both accountability and learning from the entire project cycle. The system captures real-time data that is then used for evidence-based decision-making by country teams and provides a centralized platform and overview of the portfolio of investment projects. The platform continues to evolve, with features such as multilingual capability, a risk framework and a stronger focus on the management of problem projects
131. Periodic updates are required to ensure that IFAD's technology landscape remains secure and supported. In particular, in 2019 IFAD upgraded the Enterprise Resource Planning system. In the context of decentralization and a new delegation of authority framework, a strategic foundational refresh was completed. This ensures continuity in the form of a supported and updated platform for core administrative activities until at least 2030, facilitating knowledge-sharing between headquarters and new IFAD Country Office staff.
132. **Leveraging technology to better service our partners.** IFAD continues to support seamless business processing with beneficiary countries. The ICP provides direct support to partner countries with improved service delivery, reduced cycle times and better visibility of data, offering a platform for the submission of withdrawal applications and other operational transactions, including services related to project procurement.

Box 13

IFAD Client Portal – an innovative and more efficient way of working

The ICP is an online web-based system providing a one-stop shop for clients to transact securely with IFAD and to obtain real-time information. The ICP was initially intended to support the submission of withdrawal applications and associated reporting. It has now been expanded to include the processing of no objections, monitoring of contracts, submission of financial statements and detailed reports on project performance. All of this functionality is included in a single system that is fully integrated with the IFAD banking platform, with state-of-the-art security features to protect data as well as ensuring transparency of information.

To date, almost 1,500 users in 58 countries use the ICP, processing over US\$600 million in transactions and accessing reports and dashboards on a daily basis. Moving forward, the ICP will continue to be expanded with new services such as procurement processes, more dashboards and drilldowns providing greater transparency and automation of processes, improving service delivery and reducing cycle times for the benefit of IFAD's clients.

133. The scope of this operations technology suite, from internal management and project oversight to external process streamlining and provision of more information to partner countries, facilitates a standardized global operating model and a coherent interface for partners within a decentralized context.
134. IFAD has also presented its first ICT for development (ICT4D) strategy to the Executive Board. The ICT4D strategy is aimed at helping projects leverage ICTs to maximize impact for beneficiaries and enable the institution to take a corporate approach towards embedding ICT4D impact on the ground. While best practices and examples from IFAD-supported projects exist on the use of ICT to support beneficiaries, as indicated in box 14 below, there has hitherto been no corporate strategy.

Box 14

Leveraging technology and innovation: Hackathon

IFAD is implementing innovative and sustainable programmes to deliver development impact to the hardest-to-reach communities. In 2019, IFAD piloted the Hackathon, in which it selected seven gender-balanced groups of specialized professionals in programming, design, UX, finance, agriculture and social science to develop digital solutions to link connect smallholder providers to markets. This competitive process developed a platform connecting food companies with agricultural organizations through commercial transactions and promotes financial inclusion through the integration of a payment system allowing farmers to be paid directly for their products. The application will launch in 2020 in an IFAD project in Argentina.

Increasing innovation, transparency and openness

135. IFAD has been at the forefront of promoting innovations, as recognized by the positive ratings on this domain at completion by both IOE and self-evaluations. Nonetheless, the IFAD11 business model recognized that IFAD could do more to support innovations at both the country and corporate levels to achieve further efficiency gains. IFAD's intention is to promote and encourage controlled risk taking by piloting innovations that, if successful, can then be scaled up based on lessons learned. To support the innovation agenda in 2019, IFAD established the Change, Delivery and Innovation Unit (CDI), recognizing that promoting innovations needs to be mainstreamed. The first initiative introduced by CDI was the innovation challenge, whereby innovative ideas were solicited for testing and potential scaling up.

Box 15

IFAD's first innovation challenge

CDI ran the challenge as a global competition via an online platform so that all IFAD colleagues across country offices could participate and select winners as part of the selection process. IFAD funded 10 proposals to improve processes through machine learning, remote sensing, virtual reality and even board games. The first group of IFAD Innovators will finish their projects in early 2020 and IFAD will look to scale up results. By calling for these proposals, the Fund hopes to encourage a project level to corporate level culture of change. Specifically, the innovation challenge targets increased adoption of evidence-based risk taking, meant to shift behaviours towards risk, improve the performance of delivery systems and promote the identification and scaling up of rural poverty innovations.

136. IFAD developed the transparency action plan in 2018. The transparency action plan included a number of actions that would support both IFAD and borrowing countries to become more transparent. Transparency has come to the forefront in the Fund's operational model and a number of actions have been taken, two of which are worth highlighting: (i) IFAD now publicly discloses the geographic locations of its operations on its website; and (ii) IFAD has made its operations dashboard publicly available through its website and is working on developing an additional RMF dashboard that will also be accessible through the website. This represents a major shift for the organization, with real-time data on performance and results now fully available.
137. To support and promote transparency at the country level, two key efforts have been undertaken. First, in addition to disclosing all supervision reports through the website, in 2019 IFAD began disclosing PCRs. Currently 73 per cent of the PCRs submitted in 2019 are available on the website. As PCRs are produced in collaboration with IFAD but owned by governments, this uptake of the new approach to disclosing PCRs is an indication of the Member States' commitment to transparency.
138. Second, IFAD has developed a Framework for Operational Feedback from Stakeholders. The purpose of the Framework is to more systematically collect and use feedback from a range of stakeholders, from beneficiaries to policymakers, governments and in-country partners. It uses a range of tools, including a revamped client survey. Going forward, IFAD will work to ensure that the framework is employed to ensure that stakeholder engagement is embedded in country strategies and projects.

Box 16

Framework for Operational Feedback from Stakeholders

In December 2019 IFAD submitted a Framework for Operational Feedback from Stakeholders to the Executive Board for approval. The Framework is a comprehensive and integrated way to strengthen IFAD's efforts to engage key stakeholders and mobilize their feedback in COSOPs and projects. More specifically, the objectives of the Framework are to:

- Increase the commitment of governments and partners to engage key stakeholders, especially local and national representatives of IFAD's target groups, and respond to their feedback;
- Improve the quality and inclusiveness of stakeholder engagement and feedback processes, particularly at project level;
- Improve monitoring and results reporting on stakeholder feedback, particularly from project target groups; and
- Strengthen the capacities of project target groups and other stakeholders to meaningfully participate in and manage feedback processes.

The framework proposes a series of guiding principles, including context sensitivity and proactive social inclusion, and sets out an action plan to embed stakeholder feedback in COSOPs, projects and other IFAD processes.

Strengthening the institutional response to sexual harassment, sexual exploitation and abuse

139. In 2018, IFAD developed an action plan in response to the United Nations Secretary-General's strategy to improve the United Nations response to sexual exploitation and abuse (SEA). Among the measures adopted was the release in

April 2018 of IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (SH/SEA). The SH/SEA Policy has since been translated into the four official languages and is available on the public website.

140. Important measures have been taken towards the full implementation of the SH/SEA Policy, including: strengthening of procedures to ensure that incidents of SH/SEA can be reported confidentially and anonymously, with no time limitation; strengthening of SH/SEA background checks and the introduction of SH/SEA obligations in appointment letters and other IFAD contracts including commercial contracts. The Fund's publicly disclosed whistleblower protection procedures offer protection from retaliation to those who report concerns or suspicions of misconduct, including SH and SEA. Reporting channels have been made more accessible and visible on the intranet and public website.
141. IFAD is part of the United Nations Chief Executives Board for Coordination Task Force on SH and has informed the Secretary-General of its participation in the public SEA quarterly reports and the United Nations Clearcheck Screening Database, which contains names of individuals whose relationship with an organization of the system ended because of sexual misconduct. IFAD has also adopted guidelines to prevent harassment, SH and discrimination at IFAD events based on similar guidelines in the United Nations system.
142. Mandatory online SEA training was launched in 2018, and training and awareness-raising sessions in a classroom setting are also delivered to staff and partners at regional events, and workshops at headquarters and in all regions where IFAD has operations. Prevention efforts have also been strengthened with the implementation of the SEA focal point programme. Selected staff (20) in ICOs and hubs in all regions have been trained to facilitate reporting of SEA at field level and promote IFAD's SH/SEA policy in consultation with the Ethics Office.
143. IFAD also mainstreams its zero tolerance policy for SH/SEA in its operations and activities. To this end, amendments to the General Conditions for Agricultural Development Financing applicable to financing agreements were approved in December 2018. As a result, recipients of IFAD funding are now required to inform IFAD of any non-compliance with the Policy. Non-compliance may trigger the suspension or cancellation of financing. In order to enhance project procurement oversight with respect to SH/SEA, certifications of SH/SEA compliance with vendors, suppliers and other third parties receiving IFAD funds will be required as part of bidding documents.
144. Support to victims and other affected persons is available within IFAD through various sources including the Ethics Office and the staff counsellor, a qualified psychologist. Support to project beneficiaries who are victims of SEA is provided through services, programmes and networks that operate in line with the United Nations Comprehensive Strategy on Assistance and Support to Victims of SEA by United Nations Staff and Related Personnel.
145. The Executive Board is regularly informed of all steps taken to fully implement the SH/SEA Policy and other measures envisaged to keep IFAD fully aligned with best practices for safeguarding against SH/SEA.

Enhancing IFAD's service delivery platform

146. Becoming a more effective organization through efficiency gains and savings is the main thrust of IFAD11. IFAD's ratio of administrative expenditure to PoLG was 7.8 (or 12.9 per cent) during the IFAD10 period. The 2019 budget document indicated that this ratio has improved further to approximately 11.3 (or 9 per cent). The overall projected efficiency ratio for IFAD11 is expected to be similar to that for IFAD10, as the rolling 36-month ratio will reflect a lower level of PoLG delivery in 2020 and 2021.

147. To continue to strive for efficiency gains, two important reviews were launched in 2019 to enhance the service delivery platform in light of the growing ambition for IFAD2.0.
148. First, a business process re-engineering exercise, led by CDI with external expertise provided by Alvarez & Marsal (A&M), was launched in July 2019. The goal of this exercise was to identify options to streamline ways of working and reduce staff workload by focusing on those areas with the greatest opportunity for efficiency gains. The exercise looked at seven core business processes - consultant management, procurement, travel, recruitment, management and administration of supplementary funds, loan/fund disbursement and document processing. The A&M team, in consultation with all departments, developed an "as is" state for these processes to identify opportunities for improvement, and then "to be" recommendations for Management in November 2019.
149. Second, the Fund also commissioned a human resources study to assess whether the Fund has the adequate human capital, skills mix and policy flexibility to respond to current and future challenges. The human resources study, conducted with the strategic help of McKinsey & Co., focused on three distinct areas:
- (i) A comprehensive review of the capabilities and capacities at IFAD today and the implications for delivering the organization's current and future (2024, 2030) PoW, considering a potential fundamental shift in the organization's strategy and operating model (IFAD 2.0);
 - (ii) Employee value proposition (with a particular focus on the compensation package) – to compare IFAD's ability to attract and retain key talents, with relevant benchmarking to similar institutions, especially other IFIs; and
 - (iii) Enablers – to deep dive on two key strategic human resource enablers deemed fundamental to realize the aspirations resulting from areas (1) and (2) – performance management, business processes and technology.
150. These two important reviews conducted in 2019 will have implications for IFAD's service delivery platform going forward, and any enhancements will need to be reconciled with IFAD's ambition and vision over the next decade. Management is currently working on a plan to ensure that the outcomes of both studies are implemented in a coherent and consistent manner and phased appropriately between areas that can be implemented quickly with minimal or no investment and longer-term more complex areas requiring investment to achieve.
151. Finally, IFAD is also reforming its risk management approach by putting in place comprehensive, coherent and coordinated frameworks for enterprise risk management and risk appetite, with a structured risk taxonomy that includes, inter alia, financial risks, risks in operations and operational risks. While in the past IFAD has managed and monitored risks at multiple operational levels, the systems employed were static, fragmented or not fully effective in terms of risk management.

III.Looking ahead: Implementing IFAD11, preparing for IFAD12

152. The year 2020 marks not only the midterm of the IFAD11 but also a crucial point in the countdown to Agenda 2030. With SDG 2 severely off track and progress against SDG 1 slowing considerably, actions by IFAD and the development community need to be commensurate with the challenges ahead. IFAD-supported projects achieve significant impact in the lives of rural poor people. Yet sustaining and scaling up this impact and maximizing IFAD's contribution to the SDGs requires more resources and a continuous drive to ensure quality and development effectiveness.

153. IFAD is an organization on the move. It has been undergoing a significant process of change which began with the IFAD10 cycle and is continuing into IFAD11. Through the commitments and initiatives undertaken, the Fund is well positioned against the targets set in the IFAD11 RMF. Nonetheless, while there has been good progress in 2019, the first year of IFAD11, challenges and gaps have emerged in the course of implementing the business model. Some of these can be addressed within the remainder of the cycle. Others require longer-term action to be resolved, which will be proposed for IFAD12 or under IFAD2.0.
154. For the remainder of IFAD11 and moving into IFAD12, the Fund needs to act in five key areas in light of the Fund's growing ambition.
155. First, it needs to deliver the remainder of the PoLG with high-quality and timely designs, including a focus on gender, climate, youth and nutrition, while maintaining the quality of a larger-than-ever ongoing portfolio so as to achieve development impact.
156. Second, in developing the new instruments envisaged under IFAD2.0 – particularly the planned Private Sector Financing Programme and the Adaptation for Smallholder Agriculture Programme + (ASAP+) – IFAD must ensure that they are designed in such a way as to be feasible and realistic and that adds value to IFAD's basic value proposition. This means that they must have as their primary beneficiaries poor rural people and they must complement and enhance the development impact of the PoLG.
157. Third, IFAD's engagement in new areas of work – such as private sector partnerships, risk management, borrowing, diversification of its financial architecture and scaling up of new financial products – requires further investment to reinvigorate its workforce and skills set so as to complement the skills that currently exist in the organization.
158. Fourth, IFAD needs to step up its resource mobilization efforts and work with Member States to ensure more core contributions for IFAD12, with a view to establishing a clear and predictable long-term trajectory for contributions to future replenishments. A stable injection of core contributions will provide the strong foundation of Member States' support that the Fund needs to deliver impact at scale.
159. Finally, while the IFAD11 commitments focused on updating guidelines, policies and systems to achieve greater results and impact, less attention was paid to behavioural insights and the change management needed to generate a larger cultural shift. While many of the changes have naturally led to IFAD staff and partners doing business differently, IFAD will continue to emphasize the importance of implementing wide-reaching behavioural changes. The purpose of the recently established Change, Delivery and Innovation Unit is to ensure that culture and behaviours keep pace with IFAD's reform agenda.
160. In conclusion, IFAD10 and IFAD11 have been a period of change and mark the beginning of a cultural shift in the organization. All the reforms under way are vital for IFAD if it is to step up its support and contribution to Agenda 2030. For the remainder of IFAD11 and moving into IFAD12, IFAD must remain fully committed to the changes initiated and implemented, but cognizant that achieving sustainable changes and measurable impact on behaviours, performance and results is an extended process.

Mainstreaming Environment and Climate, Gender, Nutrition and Youth in IFAD's operations

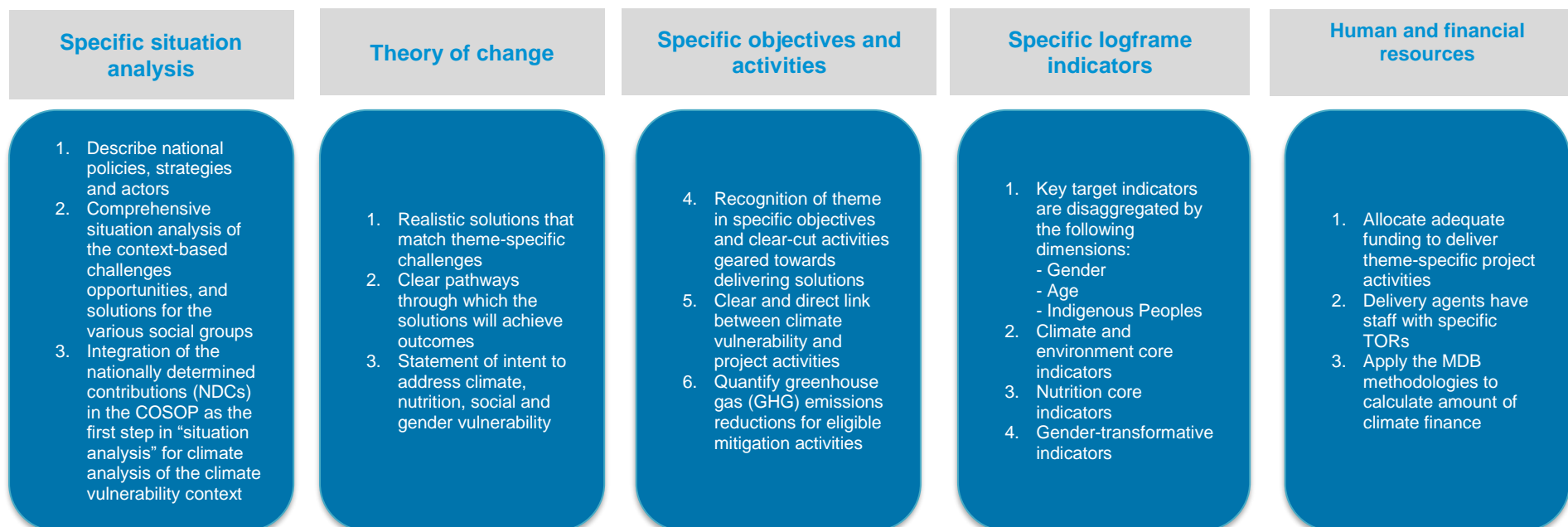
A. Introduction

1. The Environment, Climate and Social Inclusion division (ECG) was established to bring together the four mainstreaming themes – Environment and Climate, Gender, Nutrition and Youth – plus Indigenous Peoples issues. The division has put together an architecture through which each COSOP/project receives technical support both on mainstreaming social inclusion issues as well as environment and climate. It has also developed a knowledge management and communication plan to promote socially inclusive, environmentally sound and nutrition-smart IFAD operations, and to position IFAD as a leader in rural transformation.
2. In pursuit of IFAD11 mainstreaming commitments the Fund has revised its business and planning processes and is building the necessary capacities, while also developing tools and approaches for application in the design and implementation of IFAD country programmes. Corporate design and implementation templates (including the Development Effectiveness Matrix) have been revised. Consensus on definitions and criteria has been reached for all themes and integrated into the ORMS. A rigorous validation process²³ has also been established. A general framework for mainstreaming in COSOPs and designs was elaborated and agreed (see figure 1).
3. Tools for integrating the mainstreaming themes are being developed or enhanced. They include the enhanced SECAP, the revised targeting guidelines, a new transformation framework and the adaptation of the Household Methodologies (HHMs).²⁴
4. Technical support in the 2020 hub plans has been prioritized following a thorough analysis of the performance of the ongoing portfolio vis-à-vis all mainstreaming themes.
5. The following sections analyse progress made so far in meeting the IFAD11 commitments concerning the mainstreaming themes.

²³ Led by OPR.

²⁴ IFAD initiated pilots on how to integrate the four mainstreaming themes through the use of HHM in Madagascar and Rwanda.

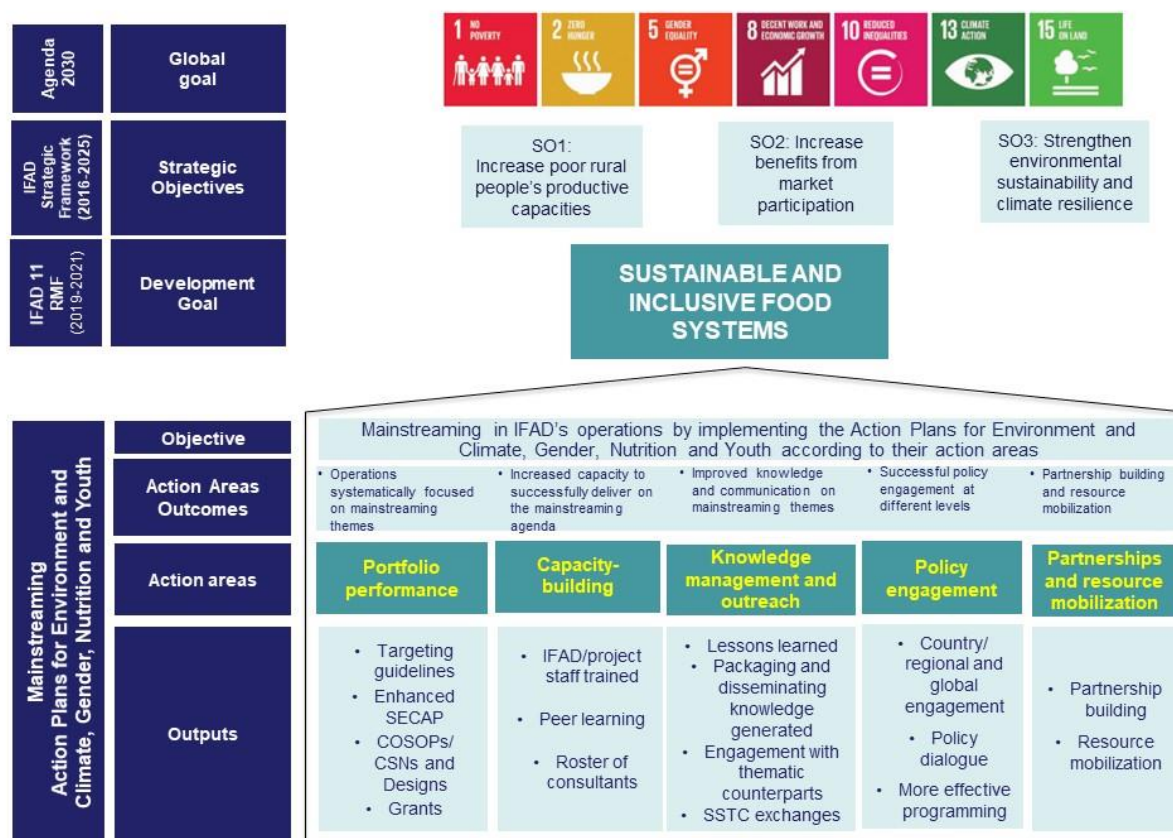
Figure 1
General framework for mainstreaming



B. Mainstreaming action plans

6. In IFAD11, IFAD committed to develop/revise action plans for each of the four mainstreaming themes and set out clear pathways towards achieving their respective commitments. Consequently, a new action plan was approved for rural youth. The Gender Action Plan and the Nutrition Action Plan were strengthened to reflect the new IFAD11 commitments. A new Environment and Climate Strategy and related action plan were approved with a strengthened approach to mainstreaming climate change and environmental sustainability.
7. Each of the action plans describe how they intend to achieve their individual IFAD11 targets and how progress will be measured and tracked. They describe a strategy to effectively mainstream the themes in COSOPs and project operations to strengthen the impact of IFAD’s SDG-related investments. (see figure 2).
8. They also set out plans for managing and sharing knowledge and outreach, for enhancing partnerships, engaging in policy, building capacities and mobilizing resources.
9. Each plan, to some extent, also addresses the integration of each mainstreaming theme and Indigenous Peoples issues in relation to the others.

Figure 2
Mainstreaming in IFAD’s operations by implementing the action plans for environment and climate, gender, nutrition and youth



C. Revised targeting guidelines

10. The revised targeting guidelines, an IFAD11 commitment, were approved by the Executive Board in September 2019. The revised guidelines integrate mainstreaming of gender, youth, nutrition and environmental and climate issues in the operationalization of the targeting process.

11. They also contextualize the 2006 Targeting Policy in the 2030 Agenda, the guiding principle of “Leave no one behind”, and emerging targeting issues such youth and PwD.

D. Social, Environmental and Climate Assessment Procedures

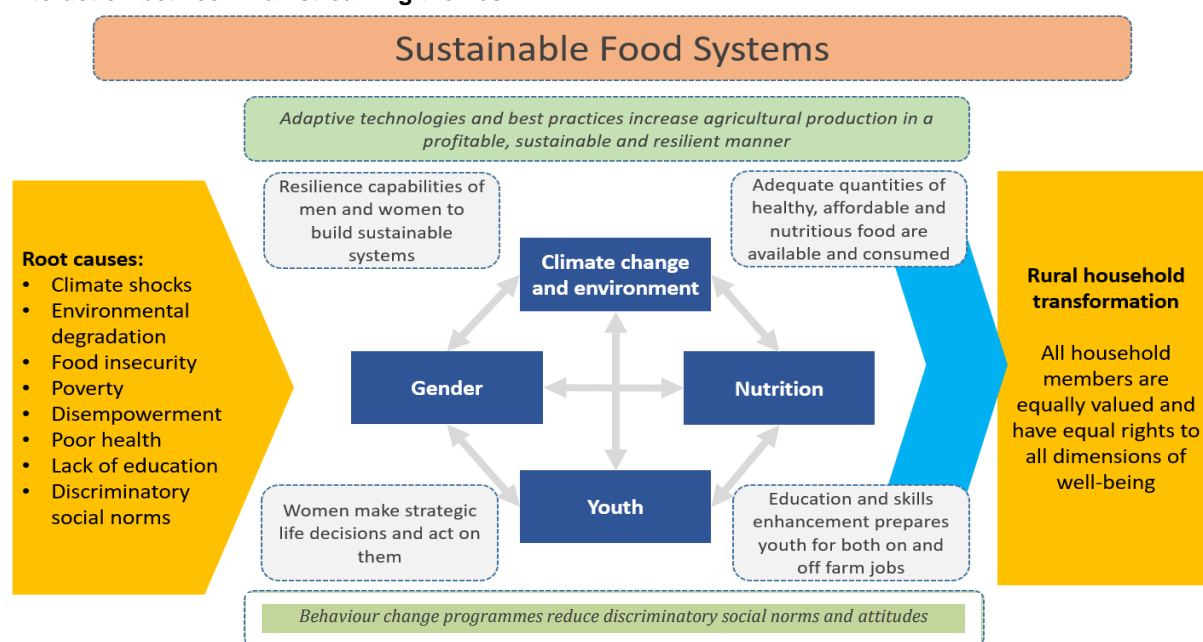
12. The SECAP has been enhanced as a vehicle for mainstreaming the four themes in the design and implementation of IFAD-financed programmes. The SECAP ensures a thorough analysis of climate, including the associated environmental and social risks and challenges. It acts as a safeguard, beginning at the Country Strategy stage and continuing throughout the project cycle, based on a context-specific risk assessment process but also guaranteeing the quality of designing and programming.
13. The recent Executive Management Committee decision of 28 August 2019 to revise the 2017 SECAP will allow IFAD to fill a few critical gaps in safeguards. That is needed to fully embrace a few emerging issues and maintain continued access to environment/climate finance as well as to facilitate cofinancing with IFIs and onlending with sovereign funds, etc.
14. This will become increasingly important as IFAD moves towards larger projects, and – in particular – works increasingly with the private sector. While focusing on the safeguards, this revision also includes improvements to the assessment (opportunities to do good) functions, including for the mainstreaming themes, in order to ensure coherence across the entire SECAP.
15. A SECAP Reference Group was established by OPR and ECG to guide and validate this exercise.
16. While awaiting the revised SECAP, the existing enhanced procedures have been applied to 91 SECAP reviews (12 COSOPs, 6 COSOPs + 24 Operational Strategy and Policy Guidance Committees, 40 design review meetings and 9 additional financing proposals). Data up to 30 September 2019 show that environmental and social risk categorization are 15 per cent – category A; 83 per cent – category B; and 2 per cent – category C, while climate risk classification is 55 per cent – high; 43 per cent – moderate; and 2 per cent – low.
17. The common risks related to Category A are related to large infrastructure projects, weak stakeholder consultation, physical and economic resettlement, significant loss of biodiversity and non-compliance with national Environmental Impact Assessment requirements.
18. The common risks in “high” climate-risk projects are: (i) agricultural activities with increasing sensitivity to extreme climatic events such as flooding and droughts; (ii) investments on floodplains and low-lying areas; (iii) heavy dependence on scarce water resources exacerbated by frequent droughts and higher temperatures; and (iv) smallholders with limited capacity and strategies to cope with the effects of climate change.
19. Common challenges related to SECAP compliance are: (i) absence of environmental and social management plans (ESMPs); (ii) inadequate capacity-building of the respective project implementation units to effectively carry out the ESMPs; and (iii) budgetary constraints to implementing the ESMPs.

E. Transformation framework

20. Support for an integrated approach to the four mainstreaming themes and Indigenous Peoples contributes to sustainable food systems transformation and inclusive solutions to rural poverty and food insecurity. During IFAD11, IFAD is seeking to integrate these themes to demonstrate how they add value to each other and to the whole portfolio for more transformational outcomes.
21. Closer operational linkages among mainstreaming themes are being established to achieve household transformation in line with the new Integrated Framework for Implementing Transformational Approaches to the Mainstreaming Themes (Climate and Environment, Gender, Nutrition and Youth) reviewed by the Executive Board in December 2019.
22. Figure 3 shows how the different themes are central to the transformation of food systems and rural households, thereby ensuring resilience, environmental sustainability and inclusion.

Figure 3

Interaction between mainstreaming themes



F. Portfolio performance in IFAD 11

23. Portfolio performance vis-à-vis IFAD11 commitments is summarized below for each mainstreaming theme.

Environment and Climate

24. As of 2019, all new IFAD country strategies include an analysis of the country's NDCs. Following that study, key national climate change priorities and commitments under the Paris Agreement are integrated into COSOPs, ensuring that IFAD interventions help countries fulfil their goals and obligations. This alignment sets IFAD on a path to better supporting client countries in meeting their national and international climate commitments, as well as building the resilience of its target beneficiaries.
25. All 38 new projects in 2019 were screened for climate risks using SECAP procedures. Of these, 64 per cent rated as having high climate risk (leading to mandatory further assessments and response) and 36 per cent as being moderately risky.
26. In terms of performance quality, 92 per cent of the 39 projects completed in 2019 scored four or higher on environment and natural resources management, slightly surpassing the IFAD11 target of 90 per cent. Meanwhile on climate change adaptation, 2019 completion ratings surpassed the IFAD11 target of 85 per cent even more significantly, with 97 per cent of projects scoring four and above – showing that IFAD11 overall performance ratings have made a promising start.
27. Performance has been boosted through a set of tools to support design and implementation. The Climate Adaptation in Rural Development (CARD) tool has been used to explore the potential yield of different crops under the effects of climate change in a given agroecology. The tool also supports the quantitative integration of climate-related risks in agricultural and rural development investments and strategies, including economic and financial analyses. Since March 2019, the CARD tool has been used in six IFAD project designs and four Country Strategy developments. In addition, it has been used by a wide range of practitioners outside IFAD, including government representatives, business leaders, large international NGOs and consultancies.
28. An Adaptation Framework has been prepared to synthesize good practices and lessons learned from adaptation actions, including from phase 1 of IFAD's Adaptation for Smallholder Agriculture Programme. The framework provides a clear approach and steps to follow to help project design teams ensure effective adaptation practices. It further facilitates and standardizes the process of assessing

Status of IFAD11 commitments for Environment and Climate	
Commitment	Status
COSOP targets	
All IFAD11 COSOPs analyse the NDC	All new COSOPs integrate an NDC analysis
Targets at Design	
Systematic tracking of climate finance using MDB methodologies	All new IFAD designs screened using the MDB methodologies (adapted for IFAD purposes)
25 per cent of IFAD PoLG is "climate focused" (in dollar terms, US\$875 million of US\$3.5 billion in IFAD11)	US\$568 million (or 34 per cent) of IFAD's 2019 approvals validated as climate-focused
Targets at Completion	
90 per cent of projects rated >4 for E-NRM (PCR ratings)	91 per cent of 2019 PCRs rated >4
85 per cent of projects rated >4 for Adaptation to CC (PCR ratings)	93 per cent of 2019 PCRs rated >4

and selecting adaptation options in IFAD projects to respond to climate risks and impacts identified through the SECAP.

29. The Ex-Ante Carbon-balance Tool (EX-ACT) is now being applied in partnership with the Food and Agriculture Organization of the United Nations (FAO) to generate ex-ante estimates of the mitigation potential of 75 IFAD projects.

Gender

30. The vision for IFAD11 on gender equality and women's empowerment focuses on greater impact of investments with a new target for gender-transformative projects of 25 per cent at design. So far 32 per cent of projects have met this target.

Status of IFAD11 commitments for Gender

Commitment	Status
Targets at Design	
25 per cent of projects gender transformative	32 per cent of projects validated are gender transformative
Targets at Completion	
90 per cent projects partially mainstreamed ≥ 4 [RIDE]	88 per cent projects rated as 4 or better at completion [RIDE 2019]
At least 60 per cent fully gender mainstreamed (≥ 5) [RIDE]	58 per cent projects rated as 5 or better at completion [PCRs submitted in 2019]

31. A shared understanding of gender-transformative approaches has been agreed through workshops (including with RBAs) to develop a gender-transformative approach theory of change in the agricultural and rural sector.

32. The gender perspective of IFAD's core indicators and impact assessment studies has been strengthened to include key elements of the Women's Empowerment in Agriculture Index. This was done with the inclusion of core indicators related to access to productive capital and financial services, and group membership.
33. Gender checklists and gender action plan templates have been developed to track or improve gender mainstreaming and gender-transformative projects.

Nutrition

34. So far 61 per cent of projects designed under IFAD11 are nutrition sensitive, while all COSOPs reviewed include nutrition considerations. This was made possible through strengthened technical assistance and capacity through training, guidance and tools at design. There has been an improvement in nutrition performance from moderately unsatisfactory to moderately satisfactory (three projects, 13 per cent); from moderately satisfactory to satisfactory (two projects, 9 per cent); as well as a decreased performance from moderately satisfactory to moderately unsatisfactory (one project, 4 per cent).

Status of IFAD11 commitments for Nutrition

Commitment	Status
Targets at Design	
50 per cent project designs nutrition sensitive	61 per cent of projects validated as nutrition sensitive

35. Support to operations has benefited from technical guidance such as the nutrition-sensitive value chain guidelines. The ECG division has also produced "How to Do Notes" (HTDNs) on mainstreaming nutrition (design and implementation); an operational framework on Supporting Nutrition-Sensitive Agriculture through Neglected and Underutilized Species (NUS); and HTDNs on Marketing Needs and Emerging Opportunities Assessment in NUS Value Chains).
36. Nutrition M&E at IFAD has been significantly revamped. The nutrition core indicators (two at outcome level and one at output level) have been defined and guidelines on their operationalization produced. Ongoing integration of these indicators and guidelines into the OPR and Research and Impact Assessment Division guidelines will see an improvement in tracking the progress and impact of

nutrition-sensitive projects. Costing guidelines on nutrition-sensitive actions have been developed to guide project designers on how to accurately budget for nutrition actions.

Youth

37. In order to move towards achieving targets on youth, the Rural Youth Action Plan identified the need to “carry out a survey to establish a baseline on where IFAD is with regard to youth mainstreaming”. The aim was to inform the development of a methodology to define “youth sensitivity”²⁵ and integrate youth employment issues into its investments. A rapid assessment of IFAD9 projects was accordingly conducted together with an in-depth stocktaking of a sample of 52 projects in the same replenishment (almost

Status of IFAD11 commitments for Youth	
Commitment	Current Status
Targets at COSOP	
100 per cent of COSOPs and CSNs youth sensitive	100 per cent of COSOPs/CSNs analyse youth
Targets at Design	
50 per cent of project designs youth sensitive	82 per cent of projects designed in 2019 validated as youth-sensitive

60 per cent of the 89 projects approved between 2013 and 2015). In order to compare the preliminary IFAD9 findings with more recent project designs, an initial sample of 43 IFAD10 projects (of the 83 projects approved between 2016 and 2018) was selected, of which 22 have so far been analysed in depth. Both samples were informed by efforts to identify youth-related activities in IFAD projects by reviewing COSTAB data (for IFAD9) and reviewing project components and objectives (IFAD10).

38. In IFAD11 so far, the target of 50 per cent youth-sensitive projects at design has been exceeded with 82 per cent and all project indicators on outreach are being disaggregated by gender and age.
39. A rural youth engagement note has been developed to guide practitioners in better delivery of youth-sensitive engagement in programme cycles and in IFAD projects.

G. Capacity-building

40. ECG has launched a drive to strengthen the capacities of IFAD staff, consultants and implementing partners on the mainstreaming themes and integrated approaches. An integrated capacity assessment among IFAD staff and implementing partners was conducted for the mainstreaming themes (July 2019) and dedicated assessments have been conducted at regional level when required. The findings have informed a number of capacity development activities.
41. Training modules (i.e. in the Operations Academy) and specialized learning events on integrating the mainstreaming themes and applying relevant procedures (such as SECAP) and targeting guidelines have been rolled out throughout the year at headquarters and in all regions. The trainings aim to create a common understanding of the definitions of each theme, of the technical considerations at all stages of the project cycle, of interlinkages among the themes and to introduce best practices for mainstreaming them in IFAD operations. Trainings were tailored to the needs of the regional divisions. For example, in the NEN Regional Strategic Forum held in Istanbul on 22-24 October, the gender team conducted hands-on clinics to review gender action plans developed by seven project teams who planned and designed them to contribute to gender commitments under IFAD11.

²⁵ A youth-sensitive project: (i) describes youth and their context-based challenges and opportunities in the project design analysis, to inform (ii) a targeting strategy that explicitly targets youth with concrete objectives and activities to achieve impact in priority areas, expressed as part of the project’s theory of change, approach and results framework. It also allocates resources to deliver activities targeting youth. A youth-focused project primarily targets young people.

42. A Mainstreaming Lab was launched on the occasion of the Global Operations Retreat. Over 50 colleagues from the Programme Management Department (PMD) and the Strategy and Knowledge Department, many of whom came from the field, participated in this training exercise aimed at enhancing their skills in incorporating the mainstreaming themes, including Indigenous Peoples, into IFAD's operations. The Lab used a variety of engaging learning strategies, including working together on actual case studies. Discussions were held after each session to share ideas and experiences. Interacting with ECG staff enabled colleagues from other divisions to acquire new knowledge and skills. The lab will be followed up with: (i) a dedicated newsletter to share best practices; (ii) an information centre, MainstreamingLab@ifad.org, where staff can raise issues or ask questions on mainstreaming; and (iii) webinars focusing on specific issues.
43. An integrated online course on mainstreaming themes, including Indigenous Peoples, will be released²⁶ in Q1 of 2020. The course consists of three modules and takes about eight hours to complete. Module 1 covers IFAD's strategic focus and targeting, key technical concepts and approaches to mainstreaming. Module 2 covers embedding mainstreaming themes into COSOPs and project design. Module 3 is devoted to mainstreaming themes during project implementation and monitoring.
44. Numerous learning events, such as the Change Cinema, Change Lectures and Change Webinars are organized regularly by ECG as well as more specialized events such as one held in Madagascar on integrating the mainstreaming themes in operations.
45. ECG organizes webinars to facilitate interactive learning on specific topics such as agroecology, where external experts interact with IFAD teams to share knowledge and experiences.
46. Extensive training of IFAD staff on the multilateral development bank (MDB) methodologies on tracking climate change adaptation and mitigation finance has been conducted both in the regions and at headquarters. Furthermore, regional climate specialists were trained in applying the IFAD climate-finance-tracking Excel tool to prepare the first climate finance estimates for their region's projects. These are then validated to ensure consistency and quality across the house by OPR.
47. OPR has also led extensive training on how to apply the SECAP procedures in the design and implementation of COSOPs and project designs, both at headquarters and in regional retreats, the Operations Academy and workshops.
48. Capacity-strengthening has been carried out for IFAD's partner institutions, governments, project implementation units and consultants – through training, webinars, remote technical support, and learning events on various topics (e.g. gender-sensitive monitoring and impact indicators, agroecology, livelihoods and gender analysis, integrating gender and nutrition-sensitive approaches into IFAD-supported projects) and in transformative approaches such as HHMs.
49. IFAD also collaborated with the International Labour Organization (ILO) in hosting a training course for four social inclusion officers on the theme of Decent Employment at the ILO's Rural Employment Academy in Turin.
50. Four staff trained at Wageningen University on nutrition-sensitive agriculture.

H. Knowledge management and outreach

51. Knowledge on results and successful approaches on the mainstreaming themes and the linkages between them has been generated and shared through flagship publications such as the Rural Development Report, the Advantage Series²⁷,

²⁶ The initial release will be in English but the course will be translated into the IFAD official languages.

²⁷ The two new Advantage series, the LAC Advantage and the WCA Advantage analyse and share successful approaches and results on mainstreaming in the respective regions.

- HTDNs²⁸, the Climate Action Report, Recipes for Change, expert blogs and videos, photo essays and a new podcast series called "Farms. Food. Future".
52. Knowledge products aim to capture lessons from IFAD-financed interventions to inform next-generation projects as well as policy dialogue. One example is a joint publication with CARE on gender-transformative adaptation.
 53. Stocktaking exercises such as the one published in 2019 on household methodologies in IFAD's portfolio analyses the benefits and challenges to systematically introducing HHMs in operations. A stocktaking reveals that 51 ongoing projects – almost one quarter of the total loan portfolio – have some HHM-related activities. IFAD also launched a four-year grant initiative to scale up innovative household methodologies.
 54. Furthermore, studies have been conducted to expand IFAD's knowledge base on mainstreaming themes. One conducted in the Sahel as an input to the WCA Sahel strategy identified opportunities for IFAD to support nutrition-sensitive investments.
 55. Thematic networks such as the impressive 1,500-member Gender Network engage at different levels to share knowledge and best practices as well as to discuss challenges. At least 300 Gender Network participants are from IFAD (headquarters and ICOs); 180 are gender and social inclusion experts; 1,000 are external partners with a key focus on gender (United Nations organizations, CGIAR, academia, development practitioners) and 338 are project staff and implementing partners involved in gender-related activities).
 56. Gender Awards are organized to recognize and share good practices and successful transformation activities.

I. Policy engagement and partnerships

57. Recognizing that scaling up transformational approaches requires both project financing and policy engagement and partnerships, IFAD leads in the organization of global platforms such as the Farmers' Forum and the Indigenous Peoples' Forum.
58. The Fourth Global Meeting of the Indigenous Peoples' Forum, held in February 2019, focused on the importance for development agencies and governments of engaging with indigenous peoples in climate change policies and initiatives. It also recognized the need to strengthen the knowledge, technologies and practices of indigenous peoples in their efforts to address climate change.
59. IFAD leads or contributes to major international Communities of Practice and platforms (such as the Scaling Up Nutrition movement and the Committee on Food Security [CFS]) and major international events (e.g. the Climate Summit, the Conference of the Parties of the United Nations Convention to Combat Desertification [UNCCD] and the Conference of the Parties of the United Nations Framework Convention on Climate Change [UNFCCC]). Some of the key contributions are highlighted below.

Environment and Climate

60. NDC Partnerships. To actively support countries in the implementation or revision of their NDCs at the level of policy dialogue and technical assistance, IFAD joined the NDC Partnership in 2019. The Partnership is a network of countries and major international institutions and non-state actors that allows developing countries to request support in priority areas. Requests are matched and coordinated with suitable implementing partners. In the framework of the NDC Partnership and its new Climate Action Enhancement Package, IFAD is at the inception stage of a project entitled Support to the NDC Partnership to deliver focused expertise on the Agriculture, Forestry and Other Land Use (AFOLU) Sector. Financed under the ASAP2 technical assistance facility, eight IFAD client countries will be supported in

²⁸ Most HTDNs relevant to the mainstreaming themes are available in IFAD's official languages.

implementing existing, and articulating new, climate priorities in agriculture and rural development. IFAD also continues to engage with the Thematic Working Group on Agriculture, Food Security and Land Use, a country-led peer-to-peer network facilitated by FAO, in particular with regard to financing pro-poor climate action in agriculture.

61. Currently, 17 policy dialogues are being conducted on mainstreaming climate change into rural development activities through the ASAP programme.
62. IFAD's approach to environmental sustainability and climate resilience also seeks to reach policy and decision makers, market actors, resource user groups and institutions shaping the context in which rural people live and work. IFAD plays a role in raising awareness within global policy dialogue regarding the impact of global food systems on rural poor people and smallholders. It does so through communication, outreach and participation in major international forums such as UNCCD, UNFCCC, Climate Summits, etc.

Gender

63. IFAD is universally recognized for its advocacy on behalf of poor rural women at the United Nations level, among IFIs and within the donor community.
64. IFAD actively contributes to a number of international forums and global campaigns with the United Nations (Commission on the Status of Women); the OECD Development Assistance Committee's Network on Gender Equality; UNESCO, FAO, the World Food Programme (WFP) and United Nations Women. Since 2012, IFAD has been working together with FAO, WFP and United Nations Women to implement a joint programme on Rural Women's Economic Empowerment. IFAD is also a lead member of the Inter-Agency Network on Women and Gender Equality and its Working Group on Rural Women and Girls.
65. IFAD participates in international and regional forums such as CFS 46, International Rural Women's Day, International Women's Day, the United Nations 64th Commission on the Status of Women, Beijing +25.

Nutrition

66. IFAD participates in high-level events, represented by the President, the Vice-President and senior officials. Such events include: the African Green Revolution Forum, the Africa Food Security Leadership Dialogue Summit, The United Nations General Assembly, the EAT forum in Sweden, the Seventh Tokyo International Conference of African Development, Nutrition for Growth, Terra Madre and the Food Systems Dialogues among others. IFAD also routinely takes part in several nutrition platforms and initiatives.
67. IFAD has played an important role in facilitating discussions of a merger between the secretariats of the United Nations System Standing Committee on Nutrition (UNSCN) to improve United Nations coordination and harmonization in nutrition, and alignment with the United Nations reform. This was made possible by the active role of the Vice-President, who was the chair of the UNSCN, and the active participation of IFAD in steering committee discussions.
68. IFAD is in the steering committee for the Initiative on Food and Nutrition Security in Africa, in which it provides strategic guidance.
69. IFAD has contributed to the development of the CFS voluntary guidelines through contributions at the Open-Ended Working Group meeting and online and regional consultations (IFAD was represented by APR and LAC). The Fund is collaborating with the RBAs on several fronts, including the development of the sustainable food value chains e-learning course led by FAO, and the Minimum Dietary Diversity for Women workforce. It is working with WFP to conduct nutrient-gap analysis in several countries and helping prepare various knowledge products on nutrition.

70. The nutrition team has contributed to a number of global reports and processes. These include FAO's State of Food Security and Nutrition in the World report (with contributions from other mainstreaming teams); commitment to the United Nations Decade of Action on Nutrition and preparation of its first report, which was included in the UNSCN report to ECOSOC.
71. IFAD engages in country-level policy dialogue to create an enabling environment for nutrition-sensitive agriculture based on country needs. A number of COSOPs and projects identified policy-level gaps in nutrition during the nutrition analysis conducted at design or through background studies. The gaps identified shape the knowledge and outreach agenda for nutrition.

Youth

72. As outlined in the Rural Youth Action Plan, IFAD has little experience of dealing with certain youth-related issues (e.g. child labour, decent employment, etc.). It will therefore be important to seek and formalize collaboration with the RBAs, other IFIs and non-governmental organizations.
73. In 2019, a partnership mapping exercise was carried out and IFAD is studying with existing and new partners how best to strengthen its operations regarding youth. Partners include networks and individuals from NGOs, governments, development and aid institutions, United Nations organizations, and private sector actors. The mapping exercise highlights the areas of common intervention.
74. While IFAD has already collaborated with the ILO on decent employment, the Fund is also focusing on the issue of child labour under the International Partnership for Cooperation in Child Labour in Agriculture. In this regard, IFAD is also currently exploring the potential to pilot child labour sensitivity into its operations in two countries – Malawi and Samoa.
75. While the Rural Youth Advisory Council was an output of RYAP, IFAD is exploring options to develop a mechanism for dialogue with rural youth which could take the form of a council, network, platform, etc. Hence, IFAD has organized five rural youth consultations at regional level to capture their perspectives in developing such mechanisms. Based on these workshops, a position paper will be submitted to the Board for review and discussed at an informal seminar with the Executive Board in Q1 of 2020. Subject to Board review, it is expected the council/mechanism will be launched in 2020.
76. During the rural youth consultations mentioned above, progress was made in advancing the youth communication campaign Our Future is Here which has raised IFAD's global visibility. Spearheaded by IFAD advocate and choreographer Sherrie Silver, and musician Mr Eazi, the campaign has reached millions of TV viewers worldwide. Youth participants recorded video messages to global and regional policymakers, and contributed performances for the #danceforchange challenge on the mobile video platform Tik Tok.
77. Youth will be also represented as a key theme during the 2020 Governing Council. Three young participants from APR, LAC and ESA have been selected to sit on a panel at a special event titled Creating jobs for rural youth: Opportunities in agribusiness. Preparations for this event will be finalized in January 2020.

J. Resource mobilization, resource monitoring and professional accountability

78. Each Action Plan aims to ensure that resources are available to achieve its respective commitments and objectives.

Social Inclusion cluster

79. The social inclusion teams (Gender, Youth, Nutrition and Indigenous Peoples) have worked with the Global Engagement, Partnership and Resource Mobilization (GPR) Division to develop a resource mobilization strategy. More specifically:

Nutrition

80. So far, resources have been mobilized from ASAP2 to support linking nutrition to climate in IFAD's investments and discussions, and presentations have taken place with Member States- Norway, Sweden, United States.
81. Supplementary resources from Norway of about US\$6.5 million have been mobilized for technical support at implementation.
82. The team also prepared its final report to Canada on the generous support provided through supplementary funds during 2014-2019.

Youth

83. The youth team has led in developing a grant-financed project to test an innovative approach to agribusiness incubation for rural youth employment. This adopts a context-specific approach focusing on diversified pathways to youth employment in the on-farm and off-farm sectors with the aim of creating 21,000 jobs for young people in the next five years in Africa. Accordingly, the Fund has opened a global/regional grant window of US\$3.5 million and secured EUR 10 million from bilateral donors (BMZ). An additional US\$3.5 million in cofinancing is being pursued with the Visa Foundation. Two additional innovative grants on leveraging diaspora investment for youth employment are ongoing. List B and C students will participate in IFAD projects as researchers.

Gender

84. Within the Office of Strategic Budgeting, the resource-tracking system shows that currently 9 per cent of total staff costs are spent on gender-related activities.
85. The year 2018 constituted the baseline reporting for the United Nations – SWAP²⁹ 2.0 (2018-2019), which revised several indicators and added new ones. United Nations – SWAP's 2018 report noted that additional work is needed on IFAD's internal architecture to support the promotion of gender equality and the mobilization of financial resources for gender-related activities.
86. In this connection, the following should be noted:
- A Senior Management gender champion has been appointed.
 - The 2019 United Nations – SWAP reporting exercise has started and includes a peer review among the RBAs.
 - Collaboration with IFAD's Communications Division ensures gender considerations are mainstreamed into corporate documents and communications, and into global engagement.

Environment and Climate

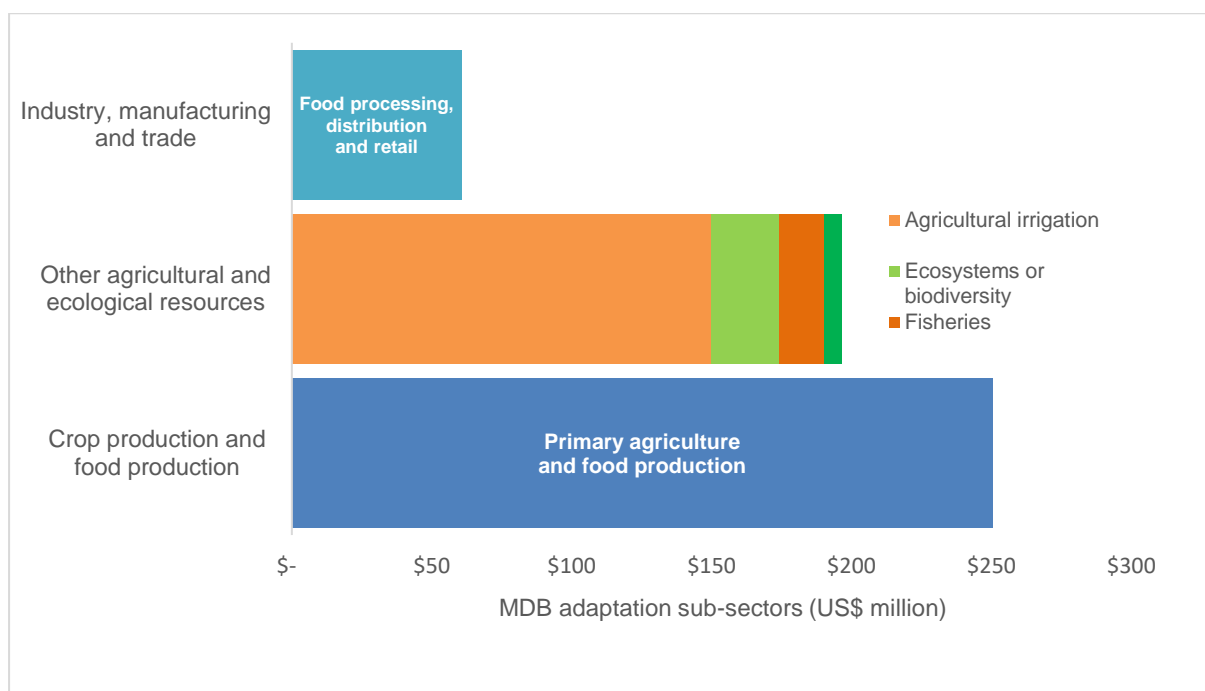
87. IFAD has committed to mobilizing US\$500 million in supplementary climate and environmental finance by 2025 (with at least US\$200 million in IFAD11). To achieve this, IFAD's new Environment and Climate Change Strategy calls for the mobilization of supplementary resources from global climate and environmental funds such as the Green Climate Fund (GCF), the Global Environment Facility (GEF)

²⁹ United Nations System-wide Action Plan on Gender Equality and Empowerment of Women.

Trust Fund, the GEF-managed Special Climate Change Fund, the Least Developed Countries Fund and the Adaptation Fund. So far:

- US\$45.7 million total has been mobilized in supplementary finance from climate and environmental funds and an additional US\$44 million in UCCs has been secured from the Governments of Germany, Sweden and Switzerland to mainstream climate change in the IFAD11 portfolio.
 - IFAD's first GCF project, "Resilient Rural Belize" (Be-Resilient), with a budget of US\$8 million, was approved by the GCF Board in February 2019. The complementarity of the IFAD loan, targeting productive development, and a GCF loan and grant that promotes increased resilience and directly addresses climate change threats has encouraged Belize to significantly change the development path for rural smallholders. The GCF Board approved IFAD's second GCF project, "Inclusive Green Financing for Climate Resilient and Low Emission Smallholder Agriculture", to be implemented in Niger with a budget of US\$10 million in November. Other resources have been mobilized through the GEF (US\$5 million) and the Adaptation Fund (US\$20.5 million).
 - US\$568 million in IFAD's 2019 PoLG investments across 38 projects has been validated as climate change adaptation and mitigation finance, estimated according to the MDB methodologies. With 34 per cent of IFAD's total investments in 2019 counting as climate finance, a promising start has been made towards achieving the overall IFAD11 commitment (25 per cent of the IFAD11 PoLG, or US\$875 million). Figure 4 below illustrates the distribution of IFAD's climate change adaptation finance (US\$507.4 million) by MDB sector and subsector. Figure 5 shows IFAD's climate change mitigation finance (US\$60.7 million) by MDB category and subcategory.
88. Of the 38 projects approved in 2019, only one does not include adaptation finance. Figure 4 presents IFAD's adaptation funding according to the MDB Methodology on Tracking Climate Change Adaptation Finance sectors and subsectors. Most of IFAD's adaptation finance in 2019 has supported the crop and food production sector (US\$250 million) through a range of activities, including capacity-building in locally appropriate climate-smart agriculture and adapted seed varieties, among others. The second largest investment area regards "Other agricultural and ecological resources" (US\$196 million), to which the subsector of agricultural irrigation contributes a substantial US\$150 million. Adaptation investments in ecosystems/biodiversity (US\$24 million), fisheries (US\$16 million) and livestock production (US\$6 million) constituted smaller shares. Investments in industry, manufacturing and trade (US\$61 million) focused on food processing, distribution and retail.

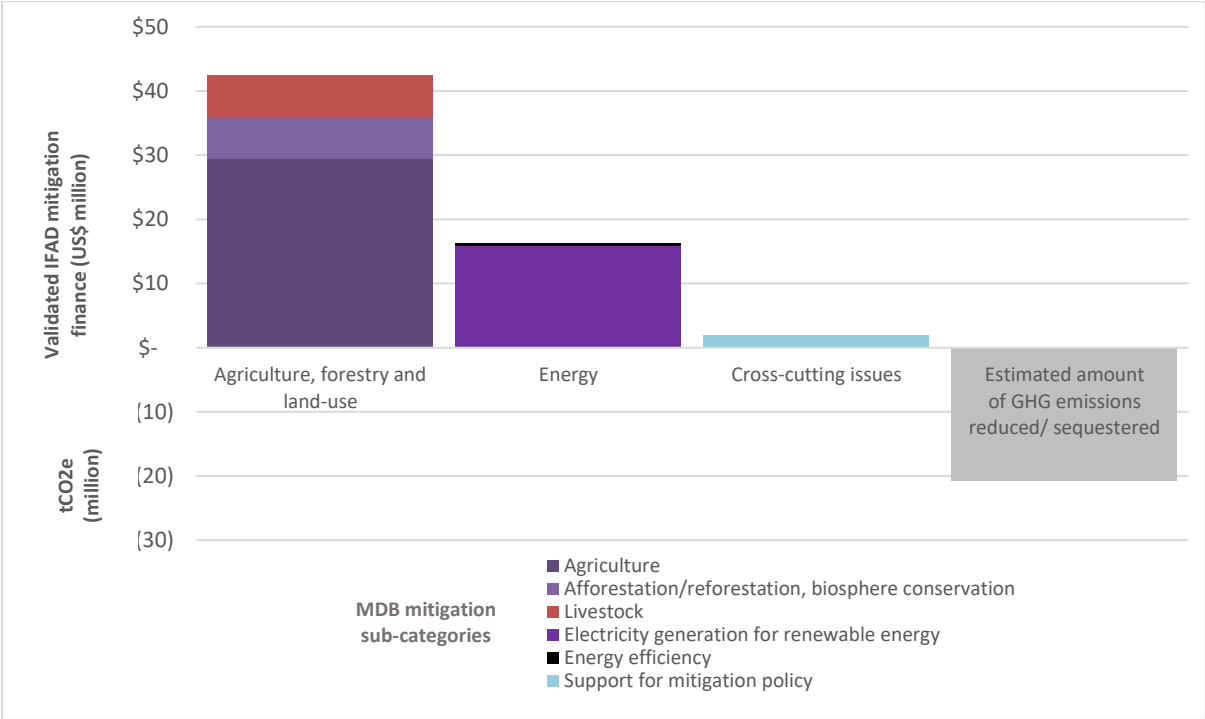
Figure 4
IFAD climate change adaptation finance by MDB sector and subsector



89. Six IFAD projects approved in 2019 include mitigation finance.³⁰ Figure 5 presents IFAD's mitigation finance according to the MDB Methodology on Tracking Climate Change Mitigation Finance categories and subcategories. The bulk of IFAD's mitigation investment flowed to the AFOLU sector (US\$42 million), with agriculture (crop production, for MDB purposes) contributing US\$29 million to this total (specifically through the eligible mitigation activities of reduced energy use in agricultural processes and reduction of non-CO₂ emissions from agricultural practices/technologies). The subcategories of afforestation/reforestation/biosphere conservation (US\$7 million) and livestock (US\$6 million) contributed smaller amounts. IFAD's second largest mitigation investment area was in energy (US\$16 million in total) with electricity generation from renewable energy (specifically, from biogas and solar power) contributing a substantial US\$15.9 million to this total. Support for national/sub-national/local policy that promote mitigation action amounted to US\$2 million. The total estimated GHG reduction potential of IFAD projects including mitigation finance amounts to 20.7 million metric tons of carbon dioxide equivalent (tCO₂e), based on their aggregated EX-ACT analyses.

³⁰ IFAD only counts mitigation finance in projects that include an ex-ante GHG assessment establishing the emissions reduction potential of the investment. Any adaptation investment with the potential for mitigation co-benefits that remain unquantified is counted as adaptation finance, yet is flagged for its mitigation co-benefit potential. During implementation, a project may wish to pursue and quantify these mitigation co-benefits.

Figure 5
IFAD climate change mitigation finance by MDB category and subcategory



Status of IFAD11 Commitments

	<i>Commitment</i>	<i>Monitorable Action (MA)</i>	<i>MA Type</i>	<i>MA Committed End Date</i>	<i>MA Status</i>
Resource mobilization	1.1 Increase resources by integrating borrowing into IFAD's financial framework and achieving the target PoLG of US\$3.5 billion	1. Secure replenishment contributions and DSF compensation for IFAD11.	Enhanced financial architecture	31/12/2021	Ongoing – DSF compensation mechanism approved at the December 2019 Executive Board.
		2. Present proposals for CPLs and sovereign borrowing to the Executive Board.	Enhanced financial architecture	31/12/2021	Ongoing – Two CPLs (France and India) have been finalized and additional sovereign loans are being explored.
		3. Implement the agreed actions in the roadmap for IFAD's financial strategy.	Enhanced financial architecture	11/12/2020	Ongoing – A number of actions have been taken particularly on the process of securing a credit rating in the future. A comprehensive independent risk review study was also completed.
		4. Undertake analysis and develop an action plan to enhance IFAD's resource mobilization.	Enhanced financial architecture	30/12/2019	Completed – An action plan was developed internally and shared with Senior Management. A more targeted action plan has been developed as part of the IFAD12 Consultation.
	1.2 Strengthen IFAD's role as an assembler of development finance to expand the PoW to US\$8.4 billion	5. Undertake a cofinancing analysis and develop an action plan to reach a cofinancing ratio of 1:1.4 (international 1:0.6 and domestic 1:0.8), define different forms of cofinancing and methodologies for their calculation, including quantification of in-kind contributions, improve monitoring and reporting on cofinancing by source and country category, and better measure IFAD's crowding in of private investment.	Enhanced corporate strategies	30/12/2019	Completed – Cofinancing strategy and action plan presented to the 125 th session of the Executive Board (EB 2018/125/R.9).
		6. Update IFAD's strategy for engagement with the private sector and enhance instruments to collaborate with the private sector and foundations, including development of the Smallholder and Small and Medium-Sized Enterprise Investment Finance Fund.	Enhanced corporate strategies	30/12/2019	Completed – The Private Sector Engagement Strategy was approved by the 127 th session of the Executive Board (EB 2019/127/R.3). The ABC Fund has also been operationalized.

Resource allocation	2.1 Optimize allocation of resources at the macro level, ensuring that 90 per cent of official development assistance (ODA) contributions are allocated to LICs and LMICs, 50 per cent to Africa, 45 per cent to sub-Saharan Africa, and 25-30 per cent to the most fragile situations	7. Select approximately 80 countries to receive PBAS allocations during IFAD11 on the basis of agreed country selection criteria and the revised PBAS formula.	Enhanced corporate processes	29/09/2018	Completed - The targets set for allocation of core resources have been met for the up-front allocated resources at the beginning of the IFAD11 cycle. 80 countries were included at the beginning of the cycle.
		8. Present a transition framework to the Executive Board.	Enhanced corporate strategies	30/12/2018	Completed – Following the establishment of the Transition Framework Working Group, a transition framework was approved by the Executive Board at its 125 th session.
	2.2 Increase focus on the poorest and most vulnerable people within each country	9. Revise IFAD's operational guidelines on targeting, including with regard to youth, ensuring appropriate differentiated approaches for young women and young men, and consider how to ensure the inclusion and address the needs of people with disabilities, in line with the SDG agenda of "leaving no one behind".	Enhanced corporate processes	29/06/2019	Completed – The revised targeting guidelines were presented to the 127 th session of the Executive Board (EB 2019/128/R.6/Rev.1).
10. Provide a report that analyses the link between people with disabilities and IFAD interventions.		Enhanced reporting	30/03/2019	Completed. Slight delay but nonetheless delivered within 2019: the report was initially planned for presentation at the 126 th session of the Executive Board but was instead presented at the 128 th session.	
11. Provide a proposal for disaggregating data on people with disabilities in IFAD projects which has been piloted in at least five projects following the methods used by the United Nations Washington Group on Disability Statistics, such as the Short Set of Disability Questions.		Enhanced reporting	29/06/2020	Ongoing	
Resource utilization	3.1 Increase outward-facing capacity and advance IFAD's decentralization	12. Present an update to the Executive Board on the frontloading of IFAD's decentralization.	Enhanced corporate strategies	29/06/2018	Completed – An update was presented on decentralization at the 126 th session of the Executive Board (EB 2019/126/R.40).
		13. Increase accessibility of corporate ICT systems to ICOs, including PeopleSoft human resources and finance functions.	Enhanced corporate processes	30/12/2019	Technical work has been completed; however strengthening ICT support is an ongoing process

	14. Revise the delegation of authority framework.	Enhanced corporate processes	29/06/2019	Completed – The revised delegation of authority framework was issued through a President’s Bulletin in May 2019 and accompanying guidelines were issued in November 2019
	15. Enact revised supervision and implementation support procedures.	Enhanced corporate processes	30/12/2019	Action completed. The procedures have been developed and enacted
3.2 Enhance focus, flexibility and agility in use of resources while considering appropriate risks	16. Reform the operations review and clearance process to render it more agile, with the flexibility to fast-track evidence-based designs and low-risk projects.	Enhanced corporate processes	30/03/2019	Completed – A new project design process was put into place through a President’s bulletin.
	17. Introduce a project restructuring policy and corresponding procedures, in line with the concept introduced in the DEF and the business model paper.	Enhanced operational instruments	30/12/2018	Completed – Project Restructuring Policy was developed and approved by the Executive Board at its 125 th session (EB 2018/125/R.37/Rev.1).
	18. Implement the disbursement action plan.	Enhanced corporate strategies	31/12/2018	Completed – Actions contained in the disbursement action plan have been implemented, including strengthening the focus on procurement.
	19. Prepare an update on enterprise risk management (ERM), with particular attention to country and operational risk, financial risk, preparedness for market borrowing, and decentralization.	Enhanced reporting	30/12/2018	Completed – A regular update on ERM is presented to the Audit Committee and has also been presented to the Board at multiple sessions. Further work is ongoing on strengthening the ERM function in the organization.
3.3 Mainstream the key cross-cutting themes of nutrition, gender, youth and climate	20. Present an action plan for youth mainstreaming to the Executive Board, including a focus on youth employment.	Enhanced corporate strategies	29/09/2018	Completed – The action plan was submitted to the 125 th session of the Board (EB 2018/125/R.11).
	21. Review and strengthen IFAD's gender action plan, to achieve a gender-transformative approach (25 per cent of projects to be gender transformative) and gender parity at all levels of IFAD's staffing, in line with United Nations targets, and implement relevant provisions of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (United Nations – SWAP) 2.0.	Enhanced corporate strategies	29/09/2018	Completed – Action plan targets were revised.
	22. Provide a report that analyses IFAD’s gender-transformative approach using appropriate qualitative and quantitative approaches.	Enhanced reporting	29/06/2020	Ongoing – Fieldwork has been initiated. The final report is planned for presentation to the Board in 2020.

	<p>23. Increase target in the Nutrition Action Plan for share of projects that are nutrition-sensitive to 50 per cent.</p> <p>24. Present a new climate and environment strategy and action plan to the Executive Board that will strengthen IFAD's approach to mainstreaming climate and environmental sustainability including expanding efforts on mitigation.</p> <p>25. All new COSOPs during IFAD11 analyse NDC targets and commitments to inform IFAD interventions.</p> <p>26. Undertake systematic use of Rio markers (climate adaptation and mitigation, biodiversity, desertification) and tracking of climate finance using MDB methodology, ensuring 25 per cent of the IFAD11 PoLG is "climate-focused".</p> <p>27. Develop a framework for implementing transformational approaches to the mainstreaming themes, including attention to horizontal integration and interlinkages.</p> <p>28. Report on progress across the four mainstreaming themes in the Report on IFAD's Development Effectiveness (RIDE).</p>	<p>Enhanced corporate strategies</p> <p>Enhanced corporate strategies</p> <p>Enhanced corporate processes</p> <p>Enhanced reporting</p> <p>Enhanced corporate strategies</p> <p>Enhanced reporting</p>	<p>29/09/2018</p> <p>30/12/2018</p> <p>30/03/2019</p> <p>30/03/2019</p> <p>29/09/2018</p> <p>29/09/2020</p>	<p>Completed – The target in the action plan has been revised.</p> <p>Completed – The new strategy was presented to the 125th session of the Board (EB 2018/125/R.12).</p> <p>COSOP guidelines revised accordingly. All new COSOPs in 2019 analyse NDCs.</p> <p>Completed – All new projects are being validated for climate finance using the MDB methodology.</p> <p>Completed – The framework has been developed and was presented to the 128th session of the Board (EB 2019/128/R.6).</p> <p>Ongoing – The 2020 RIDE will report on the mainstreaming themes.</p>
3.4 Strengthen synergies between lending and non-lending engagement	<p>29. Present a new knowledge management strategy to the Executive Board.</p> <p>30. Develop a SSTC funding facility.</p>	<p>Enhanced corporate strategies</p> <p>Enhanced operational instruments</p>	<p>29/06/2019</p> <p>29/06/2018</p>	<p>Completed.</p> <p>Completed – The SSTC facility has been established with financing of US\$10 million from China. Two rounds of proposals have been funded.</p>
3.5 Make strategic partnerships for financing, knowledge, advocacy and global influence a	<p>31. Update IFAD's procedures for country strategies to reflect the IFAD11 commitments, ensuring that they become long-term transition strategies, and include provisions for joint country strategies with RBAs and other partners, and share with Members through the Executive Board or informal seminars.</p> <p>32. Develop and implement a framework to strategically plan and monitor IFAD's partnerships at country, regional, global and institutional levels, including collaboration with the RBA, IFIs, national and bilateral partners, and engagement in multi-stakeholder partnerships.</p>	<p>Enhanced corporate strategies</p> <p>Enhanced corporate strategies</p>	<p>30/12/2018</p> <p>30/12/2019</p>	<p>Completed – The COSOP procedures have been revised as part of the Transition Framework and have been published.</p> <p>Completed- The framework was presented at the 127th session of the Board (EB 2019/127/R.4).</p>

	cornerstone of IFAD operations	33. Increase investment in strategic communication to raise awareness of IFAD's unique brand and improve the visibility of its work to support poor rural people and assess effectiveness of these investments through periodic measurement of IFAD's profile among target audiences.	Enhanced corporate strategies	19/12/2020	Ongoing – efforts are under way
	3.6 Pilot diversified products tailored to different country circumstances	34. Present a proposal for a project preparation advance facility to the Executive Board, including a mechanism for building capacity and implementation readiness in fragile situations.	Enhanced operational instruments	29/09/2018	Completed – The Proposal for Faster Implementation of Project Start-up instruments was approved by the Board at its 125 th session (EB 2018/125/R.38).
		35. Launch a special programme for countries with fragile situations.	Enhanced operational instruments	29/06/2019	Completed – The special programme was developed and shared with the Board at its 126 th session (EB 2019/126/R.20/Rev.2).
		36. Develop a proposal to pilot RBL for consideration by the Executive Board, and explore other lending and risk management products, including options for regional lending operations.	Enhanced operational instruments	29/06/2020	Ongoing – Pilots for RBL and regional lending are being discussed.
Transforming resources	4.1 Strengthen capacity and systems to manage for results	37. Launch phase II of the Programme in Rural M&E (PRiME) to build country-level M&E capacity and pilot a global certification framework for M&E professionals.	Enhanced corporate processes	29/09/2019	Completed – PriME phase II has been approved by the Board through the lapse-of-time procedure.
		38. Roll out the ORMS.		30/03/2019	Completed – ORMS has been fully rolled out from design through implementation and completion. Targets have been met but further work and functionalities are ongoing.
		39. Mainstream the use of IFAD client portal among most borrowers	Enhanced financial architecture	30/12/2019	
		40. Present an ICT for development (ICT4D) strategy to the Executive Board.	Enhanced corporate strategies	29/06/2019	Completed – the strategy was approved at the 128 th session of the Board (EB 2019/128/R.5).
		41. Continue fine-tuning the Results Management Framework, in cooperation with Member States, to enable optimal reporting of the outcomes/impact of their contributions to IFAD, and submit any proposed updates to the Executive Board.	Enhanced corporate strategies	24/10/2020	Ongoing – The first update on the RMF was presented at the 126 th session of the Executive Board (EB 2019/126/R.5/Rev.1).
4.2 Increase transparency and openness	42. Fully operationalize the Transparency Action Plan, including publication of IFAD's travel policy and quarterly reporting to the International Aid Transparency Initiative.	Enhanced reporting	30/12/2019	Ongoing – Efforts are ongoing and progress has been made with the operations dashboard available on the IFAD website.	
	43. Fully implement International Financial Reporting Standard 9 (IFRS 9) (Impairment) to support	Enhanced reporting	30/12/2018	Completed.	

	<p>compliance with best practice financial reporting and provide progress updates to the Audit Committee and Executive Board.</p> <p>44. Develop a framework for timely operational feedback from stakeholders, including a revamped client survey and an approach to beneficiary feedback/engagement.</p>	Enhanced financial architecture	30/03/2019	Completed – The framework was first presented to the 127 th session of the Board and subsequently approved by the Board at the 128 th session (EB 2019/128/R.13).
4.3 Enhance IFAD's service delivery platform	45. Develop a tailored system to quantify the full costs of key business processes.	Enhanced reporting	30/12/2019	A business process review has been completed.
	46. Implement the value-for-money scorecard and report annually on its implementation through the RIDE.	Enhanced reporting	29/09/2020	Ongoing – Will be presented together with the 2020 RIDE.
	47. Fine-tune the link between strategic planning and the yearly budget exercise, based on the IFAD Strategic Framework 2016-2025 results pillars.	Enhanced reporting	31/12/2019	Ongoing process - Enhancements to the budget process can be noted in the 2020 budget.
	48. Develop an action plan for IFAD's response to the Secretary-General's strategy to improve the United Nations response to SEA.	Enhanced corporate strategies	30/12/2018	Completed – An action plan was prepared and regular updates are shared with the Board.
4.4 Midterm review of the IFAD Strategic Framework 2016-2025 and engagement with United Nations reform	49. Present a midterm review of the IFAD Strategic Framework 2016-2025 to the Executive Board.	Enhanced corporate strategies	29/06/2021	Pipeline
	50. Engage with the United Nations reform process and develop a proposal to implement key recommendations of relevance to IFAD.	Enhanced corporate strategies	31/12/2018	Completed

IFAD11 Results Management Framework indicators [these indicators will be reported on holistically in the 2020 RIDE]

The below tables present the IFAD11 Results Management Framework. The framework has a simplified three-tier structure: tier I – Sustainable Development Goals – focuses on SDG 1 and SDG 2; tier II – IFAD's development results – includes the outputs, outcomes and impact that result from country-specific operations; and tier III – IFAD's operational and organizational performance – is organized around the four dimensions of the IFAD11 business model.

Tier I – goals and context

		<i>Source</i>	<i>Baseline (year)</i>	<i>Results (year)</i>
1.1	Sustainable Development Goal 1: No poverty			
1.1.1	Proportion of population below the international poverty line of US\$1.90 a day (SDG 1.1.1)	United Nations Statistics Division (UNSD)	N/A	-
1.2	Sustainable Development Goal 2: Zero hunger			
1.2.1	Prevalence of food insecurity (SDG 2.1.2)	UNSD	N/A	-
1.2.2	Prevalence of stunting among children under 5 years of age (SDG 2.2.1)	UNSD	N/A	-
1.2.3	Prevalence of malnutrition (SDG 2.2.2)	UNSD	N/A	-
1.2.4	Average income of small-scale food producers (SDG 2.3.2)	UNSD	N/A	-
1.2.5	Total official flows to the agriculture sector (billions of United States dollars) (SDG 2.A.2)	UNSD	N/A	-
1.2.6	Government expenditure on agriculture (index) (SDG 2.A.1)	UNSD	N/A	-

Tier II – Development results

<i>Impact</i>	<i>Source</i>	<i>Current</i>	<i>Baseline</i>	<i>IFAD11 target (end-2021)</i>	<i>IFAD10 target (end-2018)</i>	
2.1	Impact indicator^a					
2.1.1	Number of people experiencing economic mobility (millions) (SDGs 2.3 and 1.2)	Impact Assessment Initiative (IAI)	N/A	N/A	44 ^b	40
2.1.2	Number of people with improved production (millions) (SDG 2.3)	IAI	N/A	N/A	47 ^b	43
2.1.3	Number of people with improved market access (millions) (SDG 2.3)	IAI	N/A	N/A	46 ^b	42
2.1.4	Number of people with greater resilience (millions) (SDG 1.5)	IAI	N/A	N/A	24 ^b	22
2.1.5	Number of people with improved nutrition (millions) (SDG 2.1)	IAI	N/A	N/A	12	N/A
2.2	Project-level development results^{c,d,e}		2019	2014-2016		
2.2.1	Overall project achievement (ratings 4 and above) (percentage)	Project completion report (PCR) ratings	94	88	90	N/A
2.2.2	Overall project achievement (ratings 4 and above) (percentage)	IOE ratings	N/A	81	-	N/A
2.2.3	Overall project achievement (ratings 5 and above) (percentage)	IOE ratings	N/A	26	-	N/A
2.2.4	Effectiveness (ratings 4 and above) (percentage)	PCR ratings	94	84	90	90
2.2.5	Efficiency (ratings 4 and above) (percentage)	PCR ratings	72	77	80	80
2.2.6	Gender equality (ratings 4 and above) (percentage)	PCR ratings	94	87	90	90
2.2.7	Gender equality (ratings 5 and above) (percentage)	PCR ratings	59	54	60	N/A
2.2.8	Sustainability of benefits (ratings 4 and above) (percentage)	PCR ratings	75	78	85	85
2.2.9	Scaling up (ratings 4 and above) (percentage)	PCR ratings	94	92	95	90
2.2.10	Environment and natural resource management (ratings 4 and above) (percentage)	PCR ratings	91	88	90	90
2.2.11	Adaptation to climate change (ratings 4 and above) (percentage)	PCR ratings	93	84	85	50
2.3	Project-level outcomes and outputs^f			2016		IFAD10 range
2.3.1	Number of persons receiving services (millions) ^g (SDG 1.4)	Core indicators (Results and Impact Management System [RIMS])	N/A	97.04 million	120 million	110 million –130 million

<i>Impact</i>	<i>Source</i>	<i>Current</i>	<i>Baseline</i>	<i>IFAD11 target (end-2021)</i>	<i>IFAD10 target (end-2018)</i>	
2.3.2	Number of hectares (ha) of farmland with water-related infrastructure constructed/rehabilitated (SDG 2.4)	Core indicators (RIMS)	N/A	57,000	70,000	Land under irrigation schemes (ha): 240,000-350,000
2.3.3	Number of persons trained in production practices and/or technologies (millions) ⁹ (SDG 4.3)	Core indicators (RIMS)	N/A	2.51 million	3.5 million	5.5 million-7.7 million
2.3.4	Number of persons in rural areas accessing financial services (millions) ⁹ (SDG 8.10)	Core indicators (RIMS)	N/A	17.4 million	23 million	N/A
2.3.5	Number of persons/households provided with targeted support to improve their nutrition (millions) ⁹ (SDG 2.2)	Core indicators (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A
2.3.6	Percentage of women reporting improved quality of their diets ^h (SDG 2.2)	Core indicators (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A
2.3.7	Number of rural enterprises accessing business development services (SDG 9.3)	Core indicators (RIMS)	N/A	91,240	100,000	80,000-120,000
2.3.8	Number of persons trained in income-generating activities or business management (millions) ⁹ (SDG 4.3)	Core indicators (RIMS)	N/A	2.4 million	3.2 million	1.6-2.3 million
2.3.9	Number of supported rural producers that are members of rural producers' organizations ⁹	Core indicators (RIMS)	N/A	800,000	1.2 million	N/A
2.3.10	Number of kilometres of roads constructed, rehabilitated or upgraded (SDG 9.1)	Core indicators (RIMS)	N/A	13,690	20,000	18,000-24,000
2.3.11	Number of groups supported to sustainably manage natural resources and climate-related risks (SDG 13.1)	Core indicators (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A
2.3.12	Number of persons accessing technologies that sequester carbon or reduce greenhouse gas emissions ⁹ (SDG 13.2)	Core indicators (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A
2.3.13	Number of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices	Core indicators – outcome level (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A
2.3.14	Number of hectares of land brought under climate-resilient management (SDG 13.1)	Core indicators (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A

<i>Impact</i>		<i>Source</i>	<i>Current</i>	<i>Baseline</i>	<i>IFAD11 target (end-2021)</i>	<i>IFAD10 target (end-2018)</i>
2.3.15	Number of tons of greenhouse gas emissions (CO2) avoided and/or sequestered	Core indicators – outcome level (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A
2.3.16	Number of persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems ⁹ (SDG 1.4)	Core indicators (RIMS)	N/A	New indicator. Baseline will be provided in 2020	To be produced in 2020	N/A

^a Results will be presented in a synthesis of lessons learned from the IFAD11 IAI in early 2022.

^b Targets are based on a proposed PoLG of US\$3.5 billion in IFAD11.

^c Project-level outcomes are presented on a three-year rolling basis.

^d Results disaggregated for projects in countries with most fragile situations will also be presented in RIDE.

^e In yearly reporting through the RIDE, Management will calculate the divergence between its self-assessment with regard to project-level outcomes (based on PCRs) and corresponding ratings by IOE (based on PCR validations).

^f Results will be presented only for the year under review.

⁹ Results will be disaggregated by gender and age.

^h Results will be presented only for projects with a specific nutrition focus.

Tier III – Operational and organizational performance

		Source	Current	Baseline	IFAD11 target (end-2021)	IFAD10 target (end-2018)
Mobilizing resources – Assembling development finance to maximize impact						
3.1	Resource mobilization and leveraging cofinancing			2016		
3.1.1	Percentage achievement of IFAD11 PoLG target	Corporate databases	84	N/A	Tracked	N/A
3.1.2	Debt-to-equity ratio (percentage)	Corporate databases	7.6	3.3	Tracked	N/A
3.1.3	Cofinancing ratio (international) ^a	Grant and Investment Projects System (GRIPS)	1:1.01	1:0.53	1:0.6	N/A
3.1.4	Cofinancing ratio (domestic) ^a	GRIPS	1:0.86	1:0.74	1:0.8	N/A
Resource allocation – Focusing on the poorest people and the poorest countries						
3.2	Allocations of resources			2013-2015		
3.2.1	Share of core resources* allocated through the PBAS to LICs and LMICs; and to UMICs (percentage) ^p	Programme Management Department (PMD)	LICs and LMICs: 90 UMICs: 10	N/A	LICs and LMICs: 90 UMICs: 10	N/A
3.2.2	Percentage of PBAS resources reallocated in IFAD11	PMD	-	10	<10	N/A
3.2.3	Number of countries included in the PBAS at the beginning of the cycle	PMD	80	102	80	N/A
3.2.4	Average size of IFAD's investment projects (IFAD financing) (millions of US\$)	GRIPS	40 million	28.6 million (2014-2016)	Tracked	N/A
3.2.5	Appropriateness of targeting approaches in IFAD investment projects (percentage)	Quality assurance ratings		N/A	90	N/A
Resource utilization – Doing development differently						
3.3	Performance of country programmes			2016		
3.3.1	Relevance of IFAD country strategies (ratings of 4 and above) (percentage)	Client surveys and COSOP completion reviews (CCRs)		N/A	TBD ^c	N/A
3.3.2	Percentage of active COSOPs that undertook at least one COSOP results review during the cycle ^h	GRIPS		N/A	80	-
3.3.3	Effectiveness of IFAD country strategies (ratings of 4 and above) (percentage)	Client surveys and CCRs		N/A	TBD ^c	N/A
3.3.4	Partnership-building (ratings of 4 and above) (percentage)	Client surveys and CCRs		100	TBD ^c	90
3.3.5	Country-level policy engagement (ratings of 4 and above) (percentage)	Client surveys and CCRs		100	TBD ^c	85

		Source	Current	Baseline	IFAD11 target (end-2021)	IFAD10 target (end-2018)
3.3.6	Knowledge management (ratings of 4 and above) (percentage)	Client surveys and CCRs		N/A	TBD ^e	N/A
3.3.7	SSTC (percentage of COSOPs with comprehensive approach at design)	COSOPs	100	50	66	50
3.3.8	Percentage of new country strategies in countries with the most fragile situations that undertake fragility assessments ^h	IFAD records	100	N/A	60	N/A
3.4	Quality at entry			2016		
3.4.1	Overall rating for quality of project design (ratings 4 and above) (percentage) ^d	Quality assurance ratings		93	95	90
3.4.2	Overall rating for quality of project design (fragile situations only) (ratings 4 and above) (percentage) ^d	Quality assurance ratings		96	90	85
3.4.3	Percentage of ongoing projects with a baseline by the end of the first year of implementation	ORMS		N/A	70	N/A
3.5	Portfolio management			2016		
3.5.1	Time from concept note to approval (months)	Corporate databases	10	17	8	N/A
3.5.2	Time from project approval to first disbursement (months)	GRIPS	15	17	12	14
3.5.3	Disbursement ratio (percentage) ^e	Oracle FLEXCUBE		16.7	17	15**
3.5.4	Disbursement ratio – fragile situations only (percentage)	Oracle FLEXCUBE		12.8	16	14

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3.6	Decentralization			2016		
3.6.1	Ratio of budgeted staff positions in ICOs/regional hubs (percentage)	Corporate databases	30	TBD	33	45
3.6.2	Percentage of IFAD's investment projects (by financing volume) managed by ICOs/regional hubs	Corporate databases	100	74	100	N/A
3.6.3	Percentage of supervision/implementation support budget used through ICOs/regional hubs	Corporate databases	70	60	TBD ^f	N/A
3.7	Institutional efficiency			2016		
3.7.1	Ratio of IFAD's administrative expenditure to the PoLG	Corporate databases	11.3 (9% with new formula)	13.1%	TBD ^f	8.2 (12.2% with proposed new formula)

		Source	Current	Baseline	IFAD11 target (end-2021)	IFAD10 target (end-2018)
3.7.2	Ratio of actual administrative expenditures (including expenditures financed by management fees) to IFAD's PoW (PoLG and cofinancing)	Corporate databases	?	6.5%	TBD ^f	15.2 (6.6% with proposed new formula)
3.7.3	Ratio of actual administrative expenditures (including expenditure financed by management fees) to annual disbursements	Corporate databases		18.1%	TBD ^f	5.5 (18.2% with proposed new formula)
3.7.4	Ratio of the administrative budget to the ongoing portfolio of loans and grants	Corporate databases		1.8%	TBD ^f	N/A
3.7.5	Percentage of countries with disbursable projects using the ICP	Information and Communications Technology Division	63	0	75	N/A
3.7.6	Percentage of IFAD operations using the ORMS	PMD	100	0	100	N/A
3.7.7	Percentage of IFAD-supported projects trained through the Centres for Learning on Evaluation and Results initiative	PMD	70	0	85	N/A
3.8	Workforce management			2016		
3.8.1	Percentage of women in P-5 posts and above	Corporate databases	34	29	35	35
3.8.2	Percentage of Professional staff from Lists B and C	Corporate databases		38	Tracked	Tracked
3.8.3	Time to fill Professional vacancies (days)	Corporate databases		91	100	100
3.9	Transparency			2016		
3.9.1	Percentage of project completion reports submitted within six months of completion, of which the percentage publicly disclosed	PMD	70/73	41/0	85/90	N/A
3.9.2	Comprehensiveness of IFAD's publishing to International Aid Transparency Initiative (IATI) standards (percentage)	IATI		63	75	N/A
3.9.3	Percentage of operations with activities or components that advance transparency in borrowing countries ⁹	Corporate databases		N/A	30	N/A

^a Results are presented for projects approved in the last 36 months. RIDE will disaggregate by country income groups, and will disaggregate the reporting of domestic cofinancing with regards to government and beneficiary contributions.

^b RIDE will also provide information on allocations to projects with most fragile situations and small island developing states.

^c Targets for indicators related to IFAD's country programme performance will be developed building on the planned update of IFAD's client survey.

^d Quality-at-entry ratings are aggregated over 24 months.

^e Results will be presented by country income classification group.

^f Targets for these indicators on decentralization and institutional efficiency will be informed by the Operational Excellence for Results (OpEx) exercise.

^g This indicator is a placeholder. The methodology will be defined before the beginning of IFAD11.

^h Corporate databases are being enhanced to enable capturing this information.

* Core resources is a definition adopted by IFAD to describe core replenishment contributions, UCCs, principal and interest repayments of loans financed by these resources, as well as the grant component of CPLs.

** In 2017 IFAD reviewed its disbursement ratio definition in order to align it with the methodology used by other multilateral development organizations. The IFAD10 target therefore precedes this review.

Results against the indicators and targets in the IFAD10 RMF

Table 1
RMF level 1 – Global poverty, food security and agricultural investment outcomes

<i>Indicators</i>	<i>Source</i>	<i>Baseline year^b</i>	<i>Results 2019</i>
1.1 Global poverty and food security outcomes			
1.1.1 Proportion of population below the international poverty line of US\$1.90 a day	UNSD ^a	28.0 (1999)	8.6(2018)
1.1.2 Prevalence of undernourishment in population	UNSD ^a	n/a	10.9 (2017)
1.1.3 Prevalence of (moderate and severe) food insecurity	UNSD ^a	n/a	26.4 (2018) ^c
1.1.4 Prevalence of stunting among children under five years of age	UNSD ^a	n/a	22 (2018)
1.2 Global agricultural investment outcomes			
1.2.1 Total official flows to the agriculture sector (billions of United States dollars)	UNSD ^a	n/a	12.6 (2017)
1.2.2 Government expenditure on agriculture (index)	UNSD ^a	n/a	0.26 (2017)

^a 2019 Report of the Secretary-General of the United Nations, Special Edition: Progress Towards the Sustainable Development Goals.

^b Baseline years and corresponding data for indicators are still being defined with the assistance of the United Nations Statistical Commission.

^c The State of Food Security and Nutrition in the World (SOFI) 2019.

Table 2
RMF level 2 – Country-level development outcomes and impact delivered by IFAD-supported projects

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2011-2013</i>	<i>2015- 2017^a</i>	<i>2016-2018^b</i>	<i>IFAD10 target 2018</i>
2.1 Impact indicators					
2.1.1 Number of people experiencing economic mobility (million)	IFAD Impact Assessment (IIA)	n/a	n/a	62	40
2.1.2 Number of people with improved production (million)	IIA	n/a	n/a	47	43
2.1.3 Number of people with improved market access (million)	IIA	n/a	n/a	50	42
2.1.4 Number of people with greater resilience (million)	IIA	n/a	n/a	26	22
2.2 Outcome indicators (percentage of projects rated moderately satisfactory or better) at completion					
2.2.1 Effectiveness	PCR	88	80	83	90
<i>Fragile only</i>	PCR	-	50	53	-
	project completion report validation (PCR)/ project performance evaluation (PPE)				
IOE rating ^c		75	75	n/a	
2.2.2 Efficiency	PCR	76	70	67	80
<i>Fragile only</i>	PCR	-	50	53	-
IOE rating ^c	PCR/PPE	57	51	n/a	
2.2.3 Rural poverty impact	PCR	88	84	85	90
<i>Fragile only</i>	PCR	-	71	74	-
IOE rating ^c	PCR/PPE	86	76	n/a	
2.2.4 Gender equality	PCR	93	88	88	90
IOE rating ^c	PCR/PPE	80	71	n/a	
2.2.5 Sustainability of benefits	PCR	81	72	71	85
<i>Fragile only</i>	PCR	-	46	53	-
IOE rating ^c	PCR/PPE	65	59	n/a	
2.2.6 Innovation and scaling up	PCR	91	89	89	90
□ <i>Innovation only</i>	PCR	-	89	89	-
IOE rating ^c	PCR/PPE	79	80	n/a	
□ <i>Scaling up only</i>	PCR	-	88	88	-
IOE rating ^c	PCR/PPE	79	68	n/a	
2.2.7 Environment and natural resource management	PCR	86	87	83	90
IOE rating ^c	PCR/PPE	73	81	n/a	
2.2.8 Support for smallholder adaptation to climate change	PCR	n/a	79	84	50
IOE rating ^c	PCR/PPE	n/a	73	n/a	
2.2.9 Government performance	PCR	78	79	80	80
IOE rating ^c	PCR/PPE	66	61	n/a	

^a These results are three-year rolling averages.

^b PCR results are presented in a three-year aggregate to account more accurately for year-to-year dynamics.

^c Source: 2019 ARRI (59 projects) based on projects completing from 2015-2017.

Table 3
RMF level 3 – Country-level development outputs delivered by IFAD-supported projects

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2013</i>	<i>2016^a</i>	<i>2017^b</i>	<i>2018</i>	<i>IFAD10 projection ranges 2018</i>
3.1 Overall outreach						
3.1.1 People receiving services from IFAD-supported projects (million; male:female ratio)	RIMS ^c	98.6 (52:48)	97.04 (50:50)	97.93 (50:50)	114.7 (49:51)	110-130
3.2 Natural resource management						
3.2.1 Land under improved management practices (million ha)	RIMS	4.1	3.01	3.02	3.11	3.3-5.0
3.2.2 Land under irrigation schemes (ha)	RIMS	277 000	57 021	57 517	279 310	240 000-350 000
3.3 Agricultural technologies						
3.3.1 People trained in crop and livestock production practices/technologies (million; male:female ratio)	RIMS	6.4 (53:47)	2.51 (47:53)	2.56 (47:53)	2.60 (49:51)	5.5-7.7
3.4 Rural financial services						
3.4.1 Voluntary savers (million; male:female ratio)	RIMS	19.1 (28:72)	16.13 (39:61)	16.14 (39:61)	13.84 (46:54)	14-21
3.4.2 Active borrowers (million; male:female ratio)	RIMS	6.2 (40:60)	7.68 (35:65)	7.68 (35:65)	11.95 (47:53)	5.0-7.5
3.5 Marketing						
3.5.1 Roads constructed/rehabilitated (km)	RIMS	20 120	13 690	13 930	8 645	18 000-24 000
3.5.2 Processing facilities constructed/rehabilitated	RIMS	9 391	5 191	5 191	5 330	7 500-11 300
3.5.3 Marketing facilities constructed/rehabilitated	RIMS	3 252	2 672	2 709	1 020	3 000-5 000
3.6 Microenterprise						
3.6.1 Enterprises accessing business promotion services	RIMS	88 000	91 249	91 250	163 637	80 000-120 000
3.7 Policies and institutions						
3.7.1 People trained in community management topics (million; male:female ratio)	RIMS	1.8 (24:76)	1.93 (23:77)	1.94 (24:76)	2.08 (28:72)	1.6-2.3
3.8 Climate change adaptation						
3.8.1 Poor smallholder household members supported in coping with the effects of climate change (million)	RIMS	2.3	1.50	1.51	2.63	8-15

^a Results reported in the RIDE 2017. Results are at year-end 2016.

^b Results for the RIDE 2018. Results are at year-end 2017.

^c Results and Impact Management System.

Table 4
RMF level 4 – Operational effectiveness of IFAD-supported country programmes and projects

Indicators	Source	Baseline	2016 ^a	2017	2018	IFAD10	
		2013-2014				target 2018	
4.1	Percentage of country programmes rated 4 or better during implementation for:						
4.1.1	Contribution to increased incomes, improved food security and empowerment of poor rural women and men	Client survey	89	100	100	100	90
4.1.2	Adherence to the aid effectiveness agenda	Client survey	89	100	100	100	100
4.1.3	Engagement in national policy dialogue	Client survey	81	100	97	100	85
4.1.4	Partnership-building	Client survey	92	100	94	100	90
4.2	Percentage of projects rated 4 or better at entry^b						
4.2.1	Overall rating for quality of design	QA	91	93	97	94	90
4.2.2	Overall rating for quality of design (fragile situations only)	QA	83	96	91	82	85
4.2.3	Gender	QA	81	97	97	92	90
4.2.4	Monitoring and evaluation	QA	88	88	92	91	90
4.2.5	Scaling up	QA	83	95	92	90	85
4.2.6	Environment and climate change	QA	n/a	90	98	97	80
4.2.7	Loan-financed projects have a verifiable economic analysis	QA	n/a	100	100	100	100
4.3	Portfolio management						
4.3.1	Time from project approval to first disbursement (months) ^c	GRIPS	17	16.8	16.3	15.7	14
4.3.2	Percentage disbursement ratio (overall portfolio) ^d	Flexcube	15.8	12.8	13.1	17.8	15
4.3.3	Percentage disbursement ratio (fragile situations)	Flexcube	15.3	12.8	10.5	18.5	14
4.3.4	Gender focus in implementation	PSR/GRIPS	89	93	93	92	90
4.3.5	Percentage of projects rated moderately satisfactory or better with acceptable disbursement rate (against approved annual workplan and budget)	PSR	55	46	44	47	65
4.3.6	Percentage of grants rated moderately satisfactory for overall implementation progress	GSR	92	91	92	90	80
4.4	Cofinancing						
4.4.1	Cofinancing ratio (overall portfolio)	GRIPS	1.27	1.27	1.01	0.87	1.20
	INCOME GROUP						
	Upper-middle-income countries	GRIPS	-	1.47	1.16	1.26	-
	Lower-middle-income countries	GRIPS	-	1.63	1.23	0.75	-
	Low-income countries	GRIPS	-	0.60	0.58	0.9	-
	REGION						
	APR	GRIPS	-	-	1.51	0.92	-
	ESA	GRIPS	-	-	0.58	0.86	-
	LAC	GRIPS	-	-	1.12	1.17	-
	NEN	GRIPS	-	-	0.71	0.83	-
	WCA	GRIPS	-	-	0.77	0.7	-

Note: QA – quality assurance; GRIPS - Grants and Investment Projects System; PSR – project status report; GSR – grant status report.

^a These results were reported in the 2017 RIDE.

^b Quality-at-entry ratings are aggregated over 36 months (1 January 2016 – 31 December 2018).

^c Average of projects exhibiting their first disbursement in the last 36 months (1 January 2015 – 31 December 2017).

^d The disbursement ratio is presented according to the methodology agreed as part of the IFAD10 Replenishment.

For IFAD11, a new methodology aligned with other IFIs has been agreed for calculating the disbursement ratio. Using the new methodology, the disbursement ratio sits at 19.1 per cent.

Table 5
RMF level 5 – IFAD’s institutional effectiveness and efficiency

Indicators	Source	Baseline 2014	2016 ^a	2017	2018	IFAD10 target 2018
5.1 Improved resource mobilization and management						
5.1.1 Percentage of IFAD10 pledges over replenishment target	Corporate databases	95	83	81	81	100
5.2 Improved human resources management						
5.2.1 Staff engagement index: percentage of staff positively engaged in IFAD objectives	Global staff survey	76	76	76	74	75
5.2.2 Percentage of workforce from Lists B and C Member States	Corporate databases	40	42	43	44	Tracked
5.2.3 Percentage of women in P-5 posts and above	Corporate databases	29	25	28	31	35
5.2.4 Time to fill professional vacancies (days)	Corporate databases	109	91	90	76	100
5.3 Improved administrative efficiency						
5.3.1 Share of budget allocations to:						
Cluster 1	Corporate databases	n/a	n/a	n/a	n/a	Tracked
Cluster 2	Corporate databases	n/a	n/a	n/a	n/a	Tracked
Cluster 3	Corporate databases	n/a	n/a	n/a	n/a	Tracked
Cluster 4	Corporate databases	n/a	n/a	n/a	n/a	Tracked
5.3.2 Ratio of budgeted staff positions in ICOs	Corporate databases	42.7	43	47	67.4	45
5.3.3 Loan and grant commitments in US\$ per US\$1 of administrative expenditure ^b	Corporate databases	7.9 (2011-2013)	7.7	8.6	7.8	8.2
5.3.4 Loan and grant commitments and project cofinancing in US\$ per US\$1 of administrative expenditure ^c	Corporate databases	14.9 (2011-2013)	15.3	16.7	13.6	15.2
5.3.5 Disbursements in US\$ per US\$1 of administrative expenditure ^c	Corporate databases	5.1 (2011-2013)	5.5	5.9	6.2	5.5

^a These results were reported in the 2017 RIDE.

^b The ratio is calculated based on a 36-month average (2016-2018).

^c In the IFAD9 RMF, the corresponding indicator was defined as “Ratio of actual expenditures (including expenditure financed by management fees) to annual disbursements”, which in 2015 stood at 19. To ensure comparability across years, it has been recalculated according to the current formula.