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Investing in rural people

Management Response to 2017-2018 Institutional Assessment of IFAD by MOPAN

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Consultation on the Twelfth Replenishment of IFAD's Resources —
First Session
Rome, 13-14 February 2020

For: **Information**

Management Response

2017-2018 Institutional Assessment of IFAD by MOPAN

Introduction

Management welcomes the 2017-18 MOPAN Institutional Assessment of IFAD and commends the MOPAN Secretariat and the assessment team for a comprehensive, high-quality and insightful review of IFAD's performance. Management also expresses its strong appreciation to the United States of America for the excellent guidance and cooperation shown in its capacity as the Institutional Lead for the assessment.

IFAD greatly values the MOPAN Institutional Assessment process as it uses a robust methodology and presents relevant and credible evidence on organizational and development effectiveness, while contributing to organisational learning.

The assessment began in earnest in May 2017 and drew upon documentary evidence provided to the assessment team up to end-June 2018. The assessment was carried out at an important moment for IFAD, i.e. at the height of its latest reform exercise when considerable and rapid organisational change was underway, and while negotiations for the IFAD11 replenishment consultation were ongoing.

Areas of Strength

Overall, MOPAN's assessment of IFAD is very positive, with 11 out of the 12 performance indicators rated highly satisfactory or satisfactory.

Management appreciates the assessment's conclusion that IFAD is an agile, responsive and well-performing organization, and that it delivers consistently strong impact on rural poverty, with significant benefits for women. Other positive findings of the assessment that Management is pleased to note include:

- IFAD's results culture is strong and growing stronger, and the evaluation and accountability functions continue to be robust.
- Financial transparency and accountability are supported by a solid audit function.
- Developments such as the Social Environmental Climate Assessment Procedures have further strengthened the project design process, including the mainstreaming of cross-cutting issues such as gender, environment and climate.
- IFAD's work on diversifying its resource base and adoption of new financing frameworks better equip it to deal with a tighter financial environment.

While the assessment deemed it too early to assess the effectiveness of the ongoing reform exercise, Management is pleased to note the report's observation that the reforms represent a logical step that will likely ensure IFAD continues to remain relevant and fit-for-purpose within the evolving development landscape.

Areas for improvement

The assessment provides useful insights to improve performance. In this regard, the report recognized several ongoing efforts by Management to address the shortcomings identified, and the positive effects they were beginning to yield. A number of relevant additional actions have been initiated or completed since the June 2018 cut-off date to present documentary evidence to the MOPAN assessment team. The main areas for improvement noted by the assessment include:

- Project efficiency and sustainability – the relatively weaker performance in these areas mainly stems from the challenging marginalized rural contexts that IFAD-supported projects operate in, where costs of development are higher and government and implementing partner capacities tend to be lower. Management is actively working on the following three fronts to improve performance: (i) designing simpler and high quality implementable projects that include tailored capacity building programmes; (ii) ensuring that all new project designs include exit strategies and integrated risk frameworks that are tracked through project implementation; and, (iii) implementing recently developed gender and youth action plans, and enhanced processes for beneficiary participation and feedback throughout project lifecycles. While the full benefit of these actions will take time to materialise, performance against both efficiency and sustainability criteria is expected to show improvement by 2021.
- Project disbursements – the same factors affecting project sustainability and efficiency underlie delays in project disbursements. Implementation of a corporate disbursement action plan developed in 2016 is ongoing and is yielding improvements in IFAD's disbursement ratio.
- Higher-level policy engagement – enhancing IFAD's engagement in country-level policy processes is a key priority for Management. Policy engagement is now systematically included in country strategies and projects. While the 2018 Aid Data report *Listening to Leaders*, which ranked IFAD fourth amongst all stakeholders on policy influence and helpfulness specifically in the rural sector, suggests IFAD was already on a positive trajectory in this regard, the comprehensive country presence and decentralization reform process launched in 2018 will contribute to further strengthening performance in this area.
- Targeting, good governance and human rights – recognizing that these cross-cutting themes are essential to fulfilling IFAD's mandate, relevant important steps to strengthen IFAD's approach and practice are underway as part of the IFAD11 agenda. Action plans to mainstream rural youth and gender transformative approaches in IFAD's operations were presented to the Executive Board in December 2018 and May 2019, respectively. The following two documents will be presented to the Executive Board in September 2019: *Revised Operational Guidelines on Targeting* and *Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability*. An approach for disaggregating data on people with disabilities in IFAD projects will also be developed.

Conclusion

Management greatly welcomes the many useful findings and insights presented in the MOPAN Institutional Assessment of IFAD. The report offers valuable guidance to Management in its quest to strengthen IFAD's organizational and development effectiveness and to maximise its contribution to the Sustainable Development Goals.