



**MOPAN
COMMON
APPROACH**

**International Fund
for Agricultural
Development
(IFAD) 2010**

January 2011

Preface

This report on the International Fund for Agricultural Development was prepared for the Multilateral Organisation Performance Assessment Network (MOPAN), a network of 16 donor countries with a common interest in assessing the organisational effectiveness of multilateral organisations.

For more information on MOPAN and the Common Approach, including the results of previous assessments, please visit the MOPAN website (www.mopanonline.org).

Acknowledgements

We thank all participants in the MOPAN 2010 Common Approach assessment of the International Fund for Agricultural Development. The International Fund for Agricultural Development's senior management and their staff made valuable contributions throughout the assessment and document review processes and provided lists of their clients in each country where the survey took place. Survey respondents, including IFAD clients and MOPAN donors, contributed useful insights and time to respond to the survey. The MOPAN Institutional Leads liaised with the multilateral institutions throughout the assessment and reporting process. The MOPAN Country Leads in each country oversaw the process and ensured the success of the survey. Consultants in each country provided vital in-country support by following up with clients to ensure adequate survey response rates.

Institutional Leads and Country Leads– 2010

MOPAN Member Institutional Leads	Multilateral organisation
Australia and United Kingdom	Asian Development Bank (ADB)
Canada and Denmark	International Fund for Agricultural Development (IFAD)
Switzerland and Ireland	United Nations Population Fund (UNFPA)
Canada and Switzerland	World Health Organization (WHO)

MOPAN Member Country Leads	Countries
United Kingdom and Australia	Afghanistan
France and Germany	Benin
Spain and France	Colombia
Canada and Australia	Indonesia
Norway and Sweden	Kenya
Spain and Austria	Nicaragua
Netherlands and Sweden	Rwanda
Netherlands and France	Sri Lanka
Finland and Republic of Korea	Viet Nam
Denmark and Ireland	Zambia

Roles of Authors and the MOPAN Secretariat

The MOPAN Secretariat, led by Finland in 2010, worked in close cooperation with the MOPAN Technical Working Group to launch and manage the survey. MOPAN developed the Key Performance and Micro-indicators, designed the survey methodology, coordinated the development of lists of survey respondents, and approved the final survey questionnaire. MOPAN also directed the design of the approach to document review. MOPAN oversaw the design, structure, tone, and content of the reports.

Universalialia and Epinion developed the survey instrument and carried out the survey and analysis. Universalialia carried out the document review and wrote the reports.

Epinion is a leading consulting firm in Denmark that analyses and evaluates data to support decision making. It conducts specially designed studies for public and private organisations based on data collected among an organisation's employees, members, customers, partners, and other sources. Epinion has 75 employees and 200 interviewers. Website: www.epinion.dk

Universalialia Management Group is a Canadian consulting firm established in 1980 that specialises in evaluation and monitoring for international development. Universalialia has made significant contributions to identifying best practices and developing tools in the fields of organisational assessment; planning, monitoring, and evaluation; results-based management; and capacity building. Website: www.universalialia.com

Acronyms

AAA	Accra Agenda for Action
ADB	Asian Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
AUI	IFAD Office of Audit and Oversight
CI	Cooperating Institutions
CMR	Corporate Management Results
COMPAS	Common Performance Assessment System
COSOP	Country Strategic Opportunities Program
FPPP	Field Presence Pilot Program
IFAD	International Fund for Agricultural Development
IOE	IFAD's Office of Evaluation
M&E	Monitoring and Evaluation
MfDR	Managing for Development Results
MOPAN	Multilateral Organisation Performance Assessment Network
NGO	Non-governmental organisation
OECD- DAC	Organisation for Economic Cooperation and Development - Development Cooperation Directorate
OPEC	Organisation of the Petroleum Exporting Countries
PBAS	Performance Based Allocation System
PIU	Project Implementation Unit
RBM	Results Based Management
RIDE	Report on IFAD's Development Effectiveness
RIMS	Results and Impact Management System
RMF	Results Measurement Framework

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Executive Summary

Background

The MOPAN Common Approach 2010 assessed the organisational effectiveness of multilateral organisations based on the perceptions of MOPAN members and partners/clients of these organisations and on a review of documentation. The MOPAN Common Approach examines the performance of organisations on key performance indicators in four areas (or quadrants) – strategic management, operational management, relationship management and knowledge management.

In 2010, the International Fund for Agricultural Development (IFAD) was assessed at an institutional level and across ten developing countries: Afghanistan, Benin, Colombia, Indonesia, Kenya, Nicaragua, Rwanda, Sri Lanka, Viet Nam and Zambia.¹ The sampled countries comprise only a small proportion of IFAD's total portfolio of clients. A survey was addressed to three groups of respondents: MOPAN members in country offices and at headquarters, as well as clients. Responses were collected through an online survey and in face-to-face interviews. A total of 161 respondents participated in the survey on IFAD.

A document review was carried out using corporate documents and country programming documents from five sampled countries: Kenya, Indonesia, Nicaragua, Rwanda and Viet Nam. The full methodology for the Common Approach 2010 is presented in Volume II, Appendix I.

Main Findings

Over the past five years, IFAD has been implementing a reform process to improve its effectiveness. The reform process has been guided by an Action Plan approved by its Executive Board in December 2005. During this period, IFAD has taken on reforms in the areas of strategic planning and guidance, project quality and impact, knowledge management and innovation, human resource management, and field presence. The reform process has resulted in a wide range of tools and policies including IFAD's new Strategic Framework, a new quality enhancement system, results-based planning at the country level, and an updated results measurement framework. IFAD has developed a new reporting tool on development effectiveness and introduced a Results-based Programme of Work and Budget. IFAD's expanded field presence is also helping to improve the Fund's implementation support, partnership-building, and policy dialogue, among other areas.

The findings of the Common Approach in 2010 suggest that these reforms are providing the foundations for key organisational systems and practices that favour its organisational effectiveness.

Strategic Management

IFAD was seen to perform well in the area of *strategic management*. Survey respondents viewed IFAD's key strength to be its strategy based on a clear mandate. According to the document review, IFAD's key strengths include both its corporate and country focus on results. Its Results Measurement Framework was noted for the use of quality performance indicators and a clear hierarchy of results. Similarly, its results-based country strategic opportunities programs (RB-COSOP) were acknowledged for aligning expected results to national

¹ At the time of the survey, IFAD had country offices in Colombia and Viet Nam and was included in Agriculture and Rural Development Working Groups in Kenya, Nicaragua, Rwanda, Sri Lanka, and Zambia. This feature of IFAD was taken into consideration in analysing the survey data from the MOPAN donor respondents.

development goals. IFAD was also highly rated for making key documents available to the public.

Operational Management

In the area of *operational management*, IFAD also had generally strong performance. It was viewed to perform very strongly on indicators related to financial accountability (audit, anti-corruption policies, risk management, and procurement). It also was recognised for making transparent aid allocation decisions, for using performance information to plan and revise strategies and operations, and for introducing performance-oriented country/regional programming processes. The document review was particularly positive about IFAD's external financial auditing, its processes for following up on irregularities, and its strategies for risk management.

.As part of IFAD's reform agenda, the organisation has continued to deepen the implementation of results-based budgets. IFAD performs adequately in linking its administrative budget to expected results, but some gaps remain in linking disbursements to reported results. In terms of human resources management, perceptions on the transparency of its system for managing staff performance and the staffing its field offices are areas to monitor. A new human resource system was recently implemented, suggesting that there could be a lag between policy and practice or that the system is still too new to be known or recognised by the respondents.

IFAD received lower ratings from donors in country regarding the questions that assess the delegating of decision making, namely the extent to which project tasks are managed in country and the extent to which loans and credits can be approved locally. These responses reflect the fact that IFAD is still rolling out its country presence and, in many of the countries surveyed, there is no IFAD office.

Relationship management

IFAD received a lower set of ratings on the indicators in *relationship management*. Its greatest strength in this area, according to clients, is in its contributions to policy dialogue – although MOPAN members in-country are not as positive in their assessment. Based on the review of documents, IFAD's strength is in harmonisation of procedures through its participation in joint missions and disbursement of technical cooperation through coordinated programs.

IFAD's areas for improvement, as noted by the survey respondents, and particularly the donors, are in certain aspects of adjusting procedures and use of country systems. Respondents rated IFAD as inadequate for the length of time it takes to complete its administrative procedures. On the use of country systems, respondents' views suggest a mixed picture of performance. IFAD was recognised by its clients for the extent to which its financial aid is recorded in annual budgets and for using national procedures and systems for ODA disbursements.² Clients also perceived IFAD to be strong in promoting mutual assessment of its partnership commitments. However, MOPAN donors in-country rated IFAD as inadequate on four out of the five micro-indicators related to its use of country systems.

Knowledge management

IFAD was seen to perform strongly on most indicators in *knowledge management*. Survey respondents provided a positive assessment of IFAD for consistently monitoring its delivery and external results and for involving stakeholders and beneficiaries in these activities. Donors at headquarters and the document review recognised IFAD's Office of Evaluation (IOE) for its

² MOPAN bases the assessment of "use of national procedures and systems" on Indicators 5a and 5b of the Paris Declaration on Aid Effectiveness.

independence. However, the review of documents also indicated that the percentage of evaluations subject to independent ex-post evaluations could be improved.

IFAD was also rated as strong by the document review for the quality of its reporting: its reports use data obtained from measuring indicators, note adjustments made to policies and strategies based on performance information, and identify lessons learned. However, IFAD's reporting on its Paris Declaration commitments can still be improved.

Overview of the Ratings for IFAD

The following chart provides an overview of IFAD's ratings on the key performance indicators assessed by the Common Approach in 2010. IFAD received scores of adequate or strong on all 19 key performance indicators assessed by survey respondents, based on the mean scores of all respondents. The review of documents provided a wider mix of results, ranging from very strong to inadequate.

In general, donors in-country appeared to be less positive about IFAD's organisational effectiveness than either donors at headquarters or clients. Survey respondents' awareness of IFAD appeared to be strong among both clients and donors at headquarters who participated in the assessment, and weaker among donors in-country, who responded 'don't know' more frequently than other respondent groups to the survey questions, and who expressed a lower level of familiarity with IFAD than the other two groups.

Although respondents' ratings of adequate on many dimensions suggest that IFAD can do even better, the following areas of IFAD performance received generally high ratings:

- Corporate focus on results: IFAD was seen as very strong by the document review and strong by the respondents for establishing a clear link between its mandate and its results-focused strategy; its Results Measurement Framework was also acknowledged for its use of quality performance indicators and clear hierarchy of results
- Country focus on results: Its Country Strategic Opportunities Program papers were recognised for their focus on results and for linking results at project, program sector and country levels and for including results for cross-cutting themes. They were furthermore seen to be aligned with results statements in national development strategies.
- Aid allocation decisions: IFAD received strong ratings from both survey respondents and the document review for the transparency of its aid allocation decisions and for following the published criteria in these decision making processes.
- Financial accountability: IFAD also received very strong ratings, based on the review of documents, for several of its practices in financial accountability. Survey respondents gave a strong rating for its guidelines that ensure immediate measures are taken in the case of irregularities.
- Monitoring external results: Both survey respondents and the document review indicated that the independence of the evaluation unit is a strength. This was the highest rated micro-indicator in the assessment.
- Presenting performance information: The review of documents provided a rating of very strong on IFAD's use of indicators in its reporting and for reporting against its corporate strategy. It also received a very strong score for reporting on adjustments to its policies and strategies based on performance information.

The Common Approach findings also signal some potential areas for improvement, where IFAD received ratings that are less than adequate.

- While IFAD was acknowledged for its pioneering work on results-based budgets, the review of its Annual Reports, ARRI, and RIDE indicated that there is still room for improvement in linking disbursements to reported development results.
- Survey responses on human resource questions reflect the need to continue to pay attention to this important area of reform. The perceptions suggest that IFAD can still improve transparency in the management of staff performance. At the country level, as IFAD notes, the key question for discussion and on-going monitoring is whether the deployment of staff in country offices is proceeding apace and leading to the expected changes in IFAD performance. IFAD has recently introduced new human resource management systems and is still revising several aspects of its human resources procedures and policies. Survey respondents may not be familiar with all of the new procedures and processes, which may in part explain the discrepancy between survey respondent ratings and the much more positive ratings based on the review of documents. Comments from donors at headquarters, on the open-ended questions asked in the survey, also pointed to a need for continue to strengthen IFAD's human resource practices.
- There was also more mixed performance for IFAD in its use of country systems, which IFAD has already noted as an area where it faces some challenges and has begun to propose greater effort in capacity development, including training and the development of guidelines.

The assessment also identified some areas that may warrant further discussion between MOPAN members and IFAD. .

- Paris Declaration on Aid Effectiveness Indicators. The data from the 2008 Survey on Monitoring the Paris Declaration indicate that the percentage of IFAD's loans and grants that is captured in the budgets of client countries (Indicator 3) is low in relation to the target of the Paris Declaration, but as IFAD notes there are definitional issues that may limit the extent to which the data on this indicator can fully reflect IFAD operations. A similar situation arises with regard to the Paris Declaration indicator on the predictability of aid (Indicator 7). IFAD's performance on the Paris Declaration indicator on use of common arrangements or procedures (Indicator 9) will always be limited by its policy on SWAs, approved by the Executive Board, and by the context for sector approaches in the agricultural and rural development sector.

	Survey Respondents	Document Review
Quadrant I: STRATEGIC MANAGEMENT		
KPI I-1 Providing direction for results	4.29	6
KPI I-2 Corporate focus on results	4.23	6
KPI I-3 Focus on thematic priorities	3.98	5
KPI I-4 Country focus on results	4.31	6
Quadrant II: OPERATIONAL MANAGEMENT		
KPI II-1 Aid allocation decisions	4.42	5
KPI II-2 Linking aid management to performance	3.77	4
KPI II-3 Financial accountability	4.16	6
KPI II-4 Using performance information	4.17	5
KPI II-5 Managing human resources	3.56	5
KPI II-6 Performance oriented programming	4.11	5
KPI II-7 Delegating decision making	3.72	NA
Quadrant III: RELATIONSHIP MANAGEMENT		
KPI III-1 Supporting national plans	4.08	4
KPI III-2 Adjusting procedures	3.67	NA
KPI III-3 Using country systems	3.87	3
KPI III-4 Contributing to policy dialogue	4.20	NA
KPI III-5 Harmonising procedures	3.92	4
Quadrant IV: KNOWLEDGE MANAGEMENT		
KPI IV-1 Monitoring external results	4.62	5
KPI IV-2 Presenting performance information	4.17	5
KPI IV-3 Disseminating lessons learned	3.83	6

Legend	
Strong or above	4.50-6.00
Adequate	3.50-4.49
Inadequate or below	1.00-3.49
Not assessed in the document review	NA

1. Introduction

1.1 Background

The Multilateral Organisation Performance Assessment Network (MOPAN) is a network of 16 donor countries³ committed to improving development effectiveness and with a common interest in assessing the effectiveness of the multilateral organisations they fund.

Most multilateral and bilateral aid organisations are working diligently to develop frameworks and systems that will allow them to generate data on their contributions to the results achieved by developing countries. This is a complex undertaking and a single method or approach does not exist to help the international development community understand or assess organisational contributions to development effectiveness.

In this context, MOPAN developed the Common Approach to assess the organisational effectiveness of multilateral organisations. MOPAN defines organisational effectiveness as the extent to which a multilateral organisation is organised to contribute to development results in the countries where it operates.

The MOPAN Common Approach was first implemented in 2009 as the successor to the Annual MOPAN Survey, conducted since 2003. The Common Approach is broader and deeper than the previous surveys, which were based on the views of donors only. In 2009, the Common Approach incorporated the views of direct partners or clients of multilateral organisations in-country, and of MOPAN members at both headquarters and country level.⁴ In 2010, the Common Approach also incorporates a review of documents published by the organisations assessed or by external sources.⁵

The MOPAN Common Approach is intended to generate relevant and credible information to assist MOPAN members in meeting domestic accountability requirements and to support dialogue between MOPAN members, multilateral organisations, and their direct clients/partners that focuses on improving organisational learning and effectiveness over time. The Common Approach is derived from, and meant to replace, seven existing bilateral assessment tools. It also complements other ongoing assessment processes such as the bi-annual Survey on Monitoring the Paris Declaration and the annual reports of the Common Performance Assessment System (COMPAS) published by the multilateral development banks (MDBs).

³ MOPAN members in 2010: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, the Netherlands, Norway, Republic of Korea, Spain, Sweden, Switzerland, and the United Kingdom.

⁴ The terms “donors” and “MOPAN members” are used interchangeably in this document and refer only to the respondents in this assessment.

⁵ For more information on MOPAN and the Common Approach, please visit the MOPAN website (www.mopanonline.org)

1.2 Methodology – Common Approach 2010

Overview

In 2010, the MOPAN Common Approach assessed the organisational effectiveness of four multilateral organisations: the Asian Development Bank (ADB), the International Fund for Agricultural Development (IFAD), the United Nations Population Fund (UNFPA), and the World Health Organization (WHO). The assessment was carried out at an institutional level and across ten developing countries: Afghanistan, Benin, Colombia, Indonesia, Kenya, Nicaragua, Rwanda, Sri Lanka, Viet Nam, and Zambia.⁶

The full methodology for the Common Approach in 2010 is presented in Volume II, Appendix I. The following is a summary of the methodology. It is important to note that the methodology for the Common Approach has changed significantly in 2010 (in particular the introduction of the document review component). Due to these differences, comparisons of the results of this year with those from previous years should be done with caution.

Using a survey of stakeholder perceptions and a review of documents published by the organisations assessed and other sources, the MOPAN Common Approach examines organisational systems, practices, and behaviours that MOPAN believes are important for aid effectiveness and that are likely to contribute to results at the country level.⁷ It is structured around four areas (or quadrants) of performance – strategic management, operational management, relationship management, and knowledge management.

Key Performance Indicators and Micro-indicators – Within each performance area, organisational effectiveness is described using key performance indicators (KPIs) that are measured in a series of micro-indicators (MIs). In 2010, the Common Approach used 19 KPIs and between 68 and 70 MIs for each organisation.⁸ The full list of MIs assessed in 2010 is provided in Volume II, Appendix III (KPI and MI Data by Quadrant).

Survey

The MOPAN Common Approach 2010 gathered stakeholder perception data through a survey of MOPAN members and direct partners/clients of the multilateral organisations under review. MOPAN member respondents were identified by MOPAN member countries, whereas direct partners/clients were identified by the relevant multilateral organisation. The surveys were customised for each multilateral organisation and could be completed online or offline (paper, email, or interview). The survey for IFAD is presented in Volume II, Appendix II.

Ratings

Survey respondents were presented with statements describing an organisational practice, system, or behaviour and asked to rate the performance of the organisation on a scale of 1 to 6 as shown below.

⁶ These countries were selected for the 2010 assessment based on a set of criteria, such as the presence of MOPAN members, which are described in Appendix I. At the time of the survey, IFAD had country offices in Colombia and Viet Nam and was included in Agriculture and Rural Development Working Groups in Kenya, Nicaragua, Rwanda, Sri Lanka, and Zambia.

⁷ Whether or not a multilateral organisation contributes to the achievement of development results will also depend on how it is addressing development issues, the instruments it uses, and the scale of its interventions in the country contexts in which it operates.

⁸ Variations are due to the customisation of the survey for each multilateral organisation.

Figure 1.1 Band Ranges and Descriptions

Band	Range of the mean scores	Rating	Definitions
1	1 to 1.49	Very Weak	The multilateral organisation does not have this system in place and this is a source of concern
2	1.50 to 2.49	Weak	The multilateral organisation has this system but there are important deficiencies.
3	2.50 to 3.49	Inadequate	The multilateral organisation's system in this area has deficiencies that make it less than acceptable.
4	3.50 to 4.49	Adequate	The multilateral organisation's system is acceptable in this area.
5	4.50 to 5.49	Strong	The multilateral organisation's system is more than acceptable yet without being "best practice" in this area.
6	5.50 to 6.00	Very Strong	The multilateral organisation's system is "best practice" in this area.

Respondents

MOPAN set quotas for the percentage of respondents considered satisfactory: 50 percent response rate among direct clients/partners of multilateral organisations in each survey country, and 75 percent among MOPAN members in country offices and at headquarters.

The IFAD survey results are based on the opinions of 161 respondents.

Figure 1.2 Number of Respondents and Quotas for IFAD by Country and Respondent Group

Country	Country-based Donor Respondents (quota)	Client Respondents (quota)	Headquarter-based Donor Respondents	Total Respondents (quota in brackets)
	Respondents	Respondents	Respondents	
Afghanistan	1 (4)	6 (9)	-	7 (13)
Benin	7 (9)	11 (10)	-	18 (19)
Colombia	0 (7)	3 (5)	-	3 (12)
Indonesia	0 (4)	8 (10)	-	8 (14)
Kenya	9 (10)	8 (10)	-	17 (20)
Nicaragua	6 (11)	14 (10)	-	20 (21)
Rwanda	11 (8)	7 (10)	-	18 (18)
Sri Lanka	3 (5)	8 (13)	-	11 (23)
Viet Nam	6 (9)	12 (9)	-	18 (18)
Zambia	3 (7)	7 (11)	-	10 (18)
Total	46 (74)	84 (97)	31 (44)	161 (215)

Data Analysis

Survey data analysis included calculations of standard deviation, frequency, differences across countries and respondent groups, 'don't know' responses, and content analysis of open-ended questions. A weighting scheme was applied to ensure that no single respondent group or survey country was over-represented in the analysis and that there was equal representation of MOPAN members and direct partners/clients in the country-level analysis of the multilateral organisation. Survey data analysis is described fully in Volume II, Appendix I.

Document Review

The document review considered three types of documents: multilateral organisation documents, organisational reviews or assessments (external or internal), and external assessments such as the OECD survey on monitoring the Paris Declaration, the Common Performance Assessment (COMPAS) report, and previous MOPAN surveys. To ensure consistency and focus in the sampling process, the selection and collection of documents followed overall principles and specific criteria (described in Volume II, Appendix I). For most micro-indicators, five criteria were established which, taken together, were considered to represent the best practice in that topic area. The rating on any micro-indicator depends on the number of criteria that were considered to be met by the organisation.

The document review used the same list of micro-indicators as the survey, but not all micro-indicators were identified for document review and some questions were worded differently in the survey and the document review. In the charts presented in this report, document review ratings and survey ratings use the same rating scale but are shown separately on each chart to show convergence or divergence between the two sets of results.

Limitations

MOPAN acknowledges that the Common Approach is being developed experientially. As a result, there are still limitations to the methodology. MOPAN improves the methodology based on the experience in each year of implementation. Please see Volume II, Appendix I for an overview of general strengths and limitations of the Common Approach. The following are key limitations in the assessment of IFAD:

- The Common Approach is based on a perception survey and document review; it does not include interviews, focus groups, and other data collection methods that can help to analyse the current state of results-oriented behaviours, systems, and procedures in the organisation. It produces numerical scores or ratings that appear to have a high degree of precision, yet can only provide indications of how an organisation is doing and a basis for discussion among MOPAN members, the multilateral organisation, and the organisation's direct partners/clients.
- In the document review component, which also provides a rating for the organisation, low ratings may be due to the lack of appropriate documents available in relation to the assessment criteria, or to the fact that the assessment ratings for several micro-indicators are based on other data sources, such as the 2008 Survey on Monitoring the Paris Declaration. IFAD has noted that this data source has some limitations in terms of providing sufficient and relevant information for understanding the performance of the organisation. The criteria for the document review are presented in Volume II, Appendix VI.
- In most countries where IFAD was assessed, MOPAN was either just short or systematically short of the quota for both clients and MOPAN members. The challenges included getting responses from high ranking officials and using an online survey as a primary method for collecting data from clients. Another factor was a relatively low level of familiarity with IFAD among MOPAN members in countries. This lack of knowledge may also be related to the fact that IFAD until recently did not have presence in the field. In fact, IFAD country offices had been opened in only two (Colombia and Viet Nam) out of the ten countries included in the survey.⁹ Because of the nature of the survey sample, the assessment does not claim to provide a fully representative view of performance of IFAD. The findings should be taken as indicative.

⁹ However, IFAD is included in Agriculture and Rural Development Working Groups in Kenya, Nicaragua, Rwanda, Sri Lanka, and Zambia.

2. Background on the International Fund for Agricultural Development

This section provides a brief overview of the International Fund for Agricultural Development (IFAD) and its mandate and areas of work. This information is intended to provide background and context for the MOPAN Common Approach in 2010.

IFAD's objective is to mobilise resources for agriculture and rural development in developing countries. It is a UN Specialised Agency and an International Financial Institution established in 1974 during the World Food Conference. IFAD's goal is to empower poor rural women and men to achieve higher incomes and improved food security. IFAD also acts as an advocate for poor rural people. Its multilateral orientation provides a global platform for discussing rural policy issues and increasing awareness of why investment in agriculture and rural development is critical to reducing poverty and improving global food security.

As of December 2009, IFAD operated in: 39 countries with 103 ongoing programs and projects in Sub-Saharan Africa; 17 countries with 56 ongoing programs projects in Asia and the Pacific; 18 countries with 31 ongoing programs and projects in Latin America and the Caribbean and in 13 countries and one territory with 30 ongoing programs and projects in the Near East, North Africa, Central Asia and Eastern Europe region. Its total loan and grant operations amounted to US\$ 670.50 million in 2009.

The Fund is a partnership of members of the Organisation of the Petroleum Exporting Countries (OPEC), other developing countries, and member countries of the Organisation for Economic Co-operation and Development (OECD). IFAD works with developing country governments, poor rural people's organisations, non-governmental organisations and the private sector to design innovative programs and projects that fit within national priorities for agriculture and rural development. The Fund also works closely with other multilateral financial institutions and United Nations agencies, especially with Rome-based agencies – the Food and Agriculture Organisation of the United Nations (FAO) and the World Food Program (WFP).

Unlike most other development agencies and international financial institutions, IFAD did not have formal representation in borrowing countries until 2004. After a "Field Presence Pilot Program (FPPP)," which yielded positive results, IFAD prepared an activity plan for IFAD's expanded country presence and opened 17 new country offices in 2008. The implementation of this plan is ongoing, but reports suggest that IFAD's increased country presence has already contributed to more local support for project implementation, policy dialogue, and partnership-building.

IFAD has undergone a number of additional reforms in recent years. One of the main drivers of this reform process has been its *Action plan for Improving IFAD's Development Effectiveness* (2005). The Action Plan was developed as a response to the Independent External Evaluation of IFAD (IEE) in 2005 and defined a number of broad areas for improvement including strategic planning and guidance; project quality and impact; and knowledge management and innovation.

Under IFAD's Eighth Replenishment period (2010-2012) the Fund is continuing to address several organisational and management challenges that require closer alignment between IFAD's human and financial resources and its strategic priorities and key deliverables. Management has informed the Executive Board¹⁰ that a number of initiatives will be taken including: (a) a streamlined and more inclusive decision making process; (b) reconfigured and strengthened management and reporting arrangements; (c) preparation of a new Strategic Framework under the auspices of a new Office of the Chief Development Strategist to guide future IFAD operations; and (d) implementation of a Medium-term Plan. As an integral part of the Medium-term Plan, the Fund will introduce a zero-based budget for 2011 to align expenditures with the Medium-term Plan. In addition, management has informed the Board that it has started work on a strategic workforce plan to ensure that the deployment of human resources is in line with the requirements of the 2010-2012 programme of work including: (i) an external review of IFAD's compensation and benefits system; (ii) a revision of the Human Resources Procedures Manual and formulation of the IFAD staff rules; (iii) changes to staff benefits and entitlements; (iv) strengthening the human resources platform for country presence; (v) staff redeployment and rotation; (vi) review of the performance evaluation system and a number of additional initiatives to strengthen its human resource management and financial management.

However, the new Strategic Framework 2011-2015 does not significantly change the overall goals and objectives of previous Strategic Frameworks. A Concept Note distributed during the September 2010 Executive Board meeting reaffirms IFAD's overarching goal to enable the rural poor to improve their lives by building viable and sustainable rural farm and non-farm enterprises that are integrated into national and global markets and value chains and that provide higher incomes and greater employment opportunities.

This is the first time that IFAD is assessed by MOPAN.

¹⁰ EB 2010/99/R.31/Rev.1

3. Main Findings

3.1 Introduction

This chapter presents the findings of the 2010 MOPAN Common Approach for IFAD. Findings are based on respondent survey data and document review.

- Section 3.2 presents overall findings on the performance of IFAD
- Section 3.3 provides findings on each of the four quadrants (strategic, operational, relationship, and knowledge management), and
- Section 3.4 summarises IFAD's main strengths and areas for improvement, as identified by survey respondents in their answers to two open-ended questions.

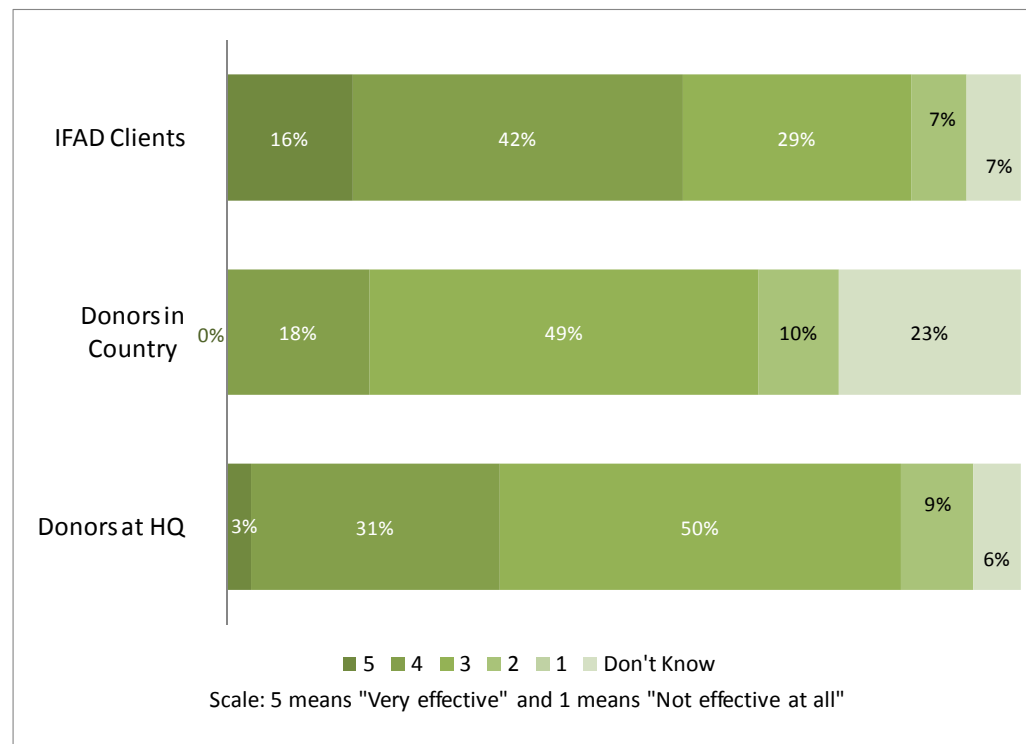
3.2 Overall Findings

This section provides survey ratings of IFAD's overall internal effectiveness, survey and document review ratings for all key performance indicators, the distribution of ratings across respondent groups and a discussion of differences in ratings in Delivering as One countries.

In the survey ratings of overall internal effectiveness, the IFAD is generally considered to be effective.

MOPAN has defined 'internal effectiveness' as the extent to which a multilateral organisation is organised to support clients to produce and deliver expected results. Survey respondents were asked to rate the overall internal effectiveness of the multilateral organisation. As shown in the figure below, respondents generally consider IFAD to be reasonably effective. Client respondents are most positive about the IFAD's internal effectiveness whereas donors in-country give it a more mixed review.

Figure 3.1 Overall Ratings of Effectiveness by Respondent Group



In the overall ratings from the survey and document review, IFAD is seen to perform adequately or better on the majority of key performance indicators. The document review provided more ratings of strong or higher and only one rating of inadequate.

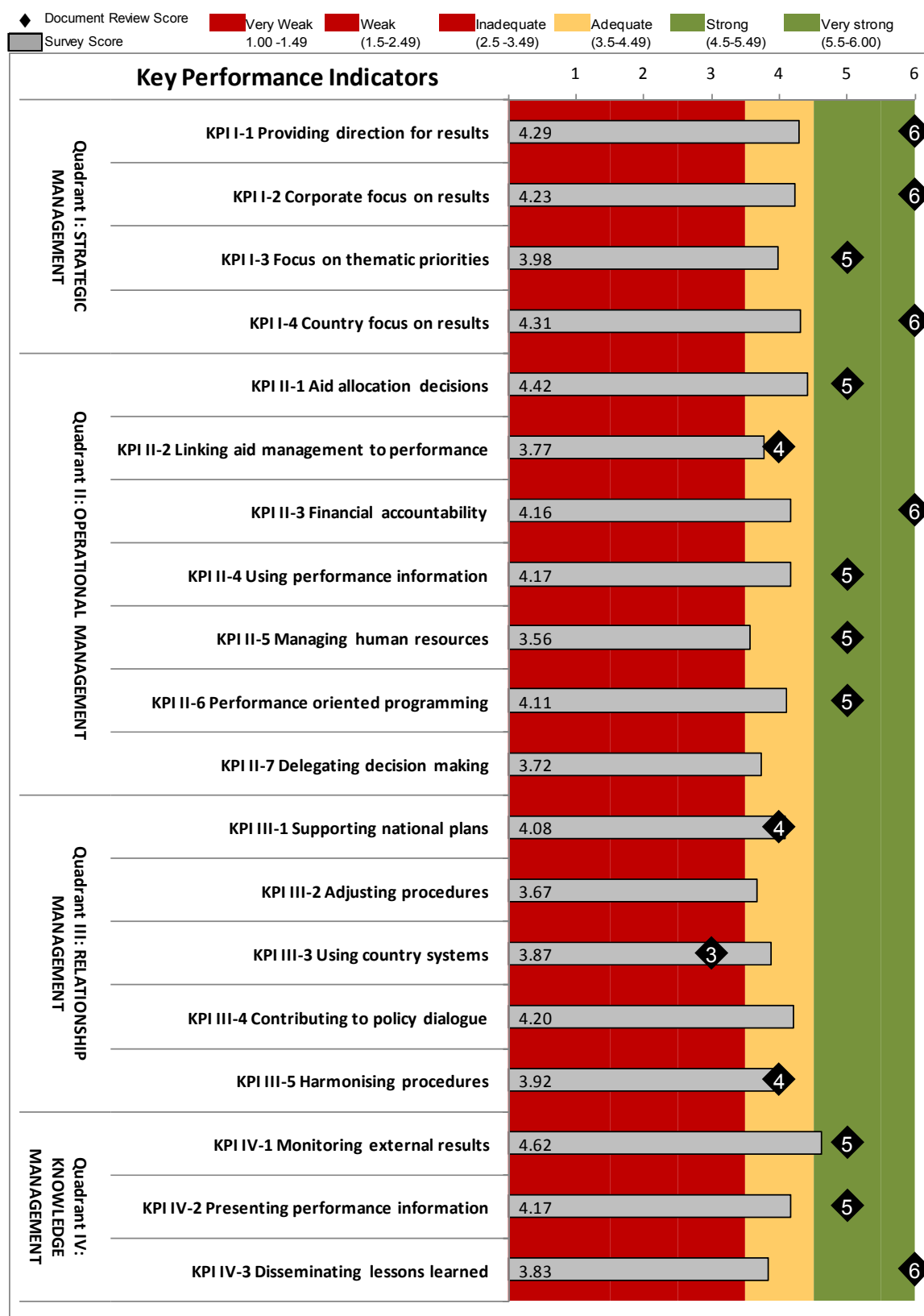
Figure 3.2 provides an overview of the ratings for IFAD on each of the key performance indicators assessed in 2010. The diamond shapes indicate document review ratings, while the bars show the survey ratings based on mean scores.

In the **survey**, IFAD received scores of adequate or strong on all key performance indicators (KPI) assessed in 2010 (18 adequate and 1 strong), based on the mean scores of all respondents.

The **document review** assessed 16 key performance indicators and IFAD was rated adequate or better on 14 KPIs and inadequate on one (use of country systems).

The document review provided more ratings of strong, in general, than the ratings provided by the survey respondents. This may be a reflection of the quality of documentation in the organisation, i.e., policies and strategies exist and meet the identified criteria, but are not perceived to be implemented at all levels of the organisation. The strong ratings may also be a reflection of the criteria used for rating the organisation based on documents, which are listed in Volume II, Appendix III.

Figure 3.2 Overall Ratings on Key Performance Indicators (mean scores, all respondents and document review ratings)

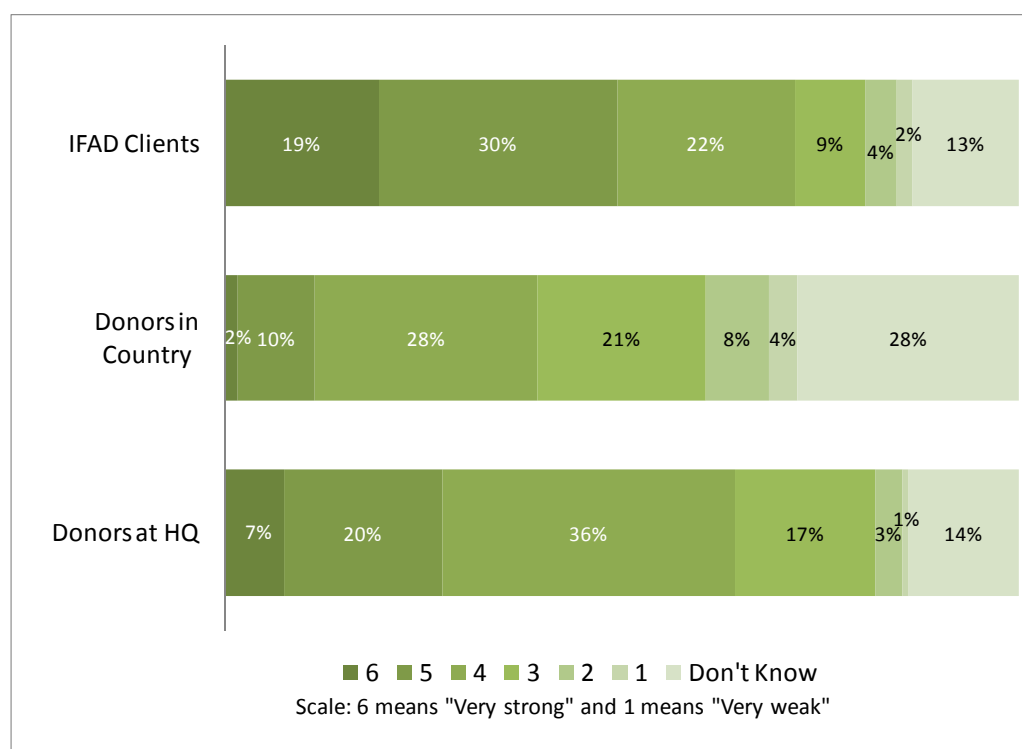


Note: Survey respondents were asked to consider a series of statements that describe the practices, systems or behaviours of IFAD and to rate these on a scale from 1 to 6 where 6 means "very strong", 5 means "strong", 4 means "adequate", 3 means "inadequate", 2 means "weak" and 1 means "very weak" (this scale was used for all statements).

Client respondents and MOPAN members at headquarters rate IFAD’s performance more favourably on most indicators than MOPAN members in-country. MOPAN members in-country also responded ‘don’t know’ more frequently than the two other respondent groups.

Client respondents included government officials (58 percent), NGO representatives (21 percent), academics (2 percent), parastatals (1 percent) and “others” (17 percent). As indicated in Figure 3.3 below client respondents tend to be more positive than donors in their assessment of IFAD. While the majority of client respondents rate IFADs performance to be strong or very strong only a minority of the donors in-country and donors at headquarters do so. The differences across the three respondent groups are statistically significant on all micro-indicators except for two: a) “IFAD’s institutional culture is client focused”; and b) “IFAD allocates concessional aid funding according to its published criteria.”¹¹ All differences in rating between donors in-country and client respondents are significant.¹² The more positive assessment by clients, in relation to donors, is not unique to IFAD; it also emerged in the 2009 MOPAN assessment of multilateral organisations and in the survey data for the other organisations assessed in 2010.

Figure 3.3 Distribution of Ratings across all Micro-Indicators, by Respondent Group



The difference in ratings between donors in-country and those at headquarters may be explained by a variety of factors, including the fact that country respondent perceptions are based on their in-country experience with the organisation which, due to IFAD’s relatively low level of country presence, may be more limited than the experience of the headquarter respondents.

¹¹ Kruskal-Wallis test on weighted data, $\alpha = 0.05$

¹² Mann-Whitney U test on weighted data, $\alpha = 0.05$

Because IFAD is not present in many of the countries surveyed by MOPAN in 2010, additional tests were conducted to see if the ratings of certain micro-indicators were significantly different among donors in countries where IFAD has no presence and those countries in which it either has an established country office (Viet Nam and Colombia) or participates in an active donor group in agriculture and rural development (Kenya, Nicaragua, Rwanda, Sri Lanka, and Zambia). The analysis showed that although significant differences were found in six areas – that is donors were more positive on these indicators in the countries where IFAD either has a country office or participates in the donor working group--the differences were not significant enough to shift the rating from inadequate to adequate.¹³

Don't Know Responses

Client respondents' and donors at headquarters' awareness of IFAD appear to be stronger than the knowledge among donors in-country (28 percent of their responses are 'don't know'). This may be explained by the frequency of interaction between the different respondent groups and IFAD. As noted in the respondent profile (see Volume II, Appendix IV) clients and donors at headquarters reported the most frequent interactions with IFAD and a greater degree of familiarity with the organisation.

Donors in-country had difficulty answering questions related to the KPI on financial accountability (35 percent don't know), use of performance information (31 percent), human resources management (31 percent), delegation of decision making (35 percent), consideration of local conditions and capacities in procedures (30 percent) and use of country systems for disbursement and operations (30 percent).

For clients, the level of 'don't know' responses was not above 30 percent on any KPI, but a few questions received higher levels of 'don't know' responses. On the question of IFADs focus on HIV/AIDS as a cross-cutting priority 37 percent answered 'don't know' while 40 percent did not know if new projects can be approved locally within a budget cap. Finally 35 percent of the clients answered 'don't know' on the question of the extent to which IFAD has promoted a mutual assessment of progress in implementing agreed partnership commitments.

Headquarters respondents had high 'don't know' rates only for questions on the use of performance agreement systems for senior staff (41 percent) and the extent to which there is a transparent system to manage staff performance (38 percent). Volume II, Appendix IV provides the respondent base and level of 'don't know' responses for each micro-indicator in the MOPAN 2010 assessment.

As noted in the methodology (Volume II, Appendix I), 'don't know' responses were not factored into the calculation of mean scores. However, where the proportion of respondents answering 'don't know' was 40 percent or more for a question relating to an MI, this is indicated in the text of the report. This information will be important for MOPAN members and multilateral organisations as a basis for discussions about expectations of respondent familiarity with the organisation's systems, practices and behaviours.

¹³ Mann-Whitney U tests of differences between ARD/IFAD presence countries and "no presence" countries on weighted data, $\alpha = 0.05$, found that differences were significant on six out of the 20 questions analysed: IFAD keeps deployed international staff in country offices for a sufficient time to maintain effective partnerships a country level, IFAD uses national budget execution procedures in its projects/programmes where appropriate, IFAD uses national procurement systems in its projects where appropriate, IFAD encourages mutual accountability assessment of Paris Declaration and Accra Agenda for Action commitments, IFAD provide valuable inputs to policy dialogue, IFAD's technical assistance is provided through coordinated programmes in support of capacity development. On these six micro-indicators, the mean scores were recalculated based only on the responses from donors in countries with IFAD presence (either through country office or with a donor working group). The rating would change from inadequate to adequate only on the two MIs related to use of country systems.

There were no measurable differences between IFAD performance ratings in Delivering as One pilot countries and other countries.

The MOPAN Common Approach does not yet include specific indicators to analyse the extent to which organisations are engaging in the Delivering as One (DAO) initiative of the United Nations. In analysing the data from this assessment, however, there was an effort to see whether there were any differences in performance of the organisations in the countries that have been designated as DAO pilot countries and in other countries.

MOPAN analysed differences in IFAD survey responses between UN Delivering as One pilot countries (Rwanda and Viet Nam) and other countries. With the exception of one MI, the differences were not statistically significant.¹⁴

3.3 Performance in Strategic, Operational, Relationship, and Knowledge Management

3.3.1 Overview

This section presents the results of the 2010 Common Approach assessment of IFAD in four performance areas (quadrants): Strategic, Operational, Relationship, and Knowledge Management.

The following sections (3.3.2 to 3.3.5) provide the overall survey and document review ratings for the KPIs in each quadrant, the mean scores by respondent group, and findings based on an analysis of survey and document review ratings.

The findings highlight areas where there were divergent perspectives among survey respondent groups or observed differences between the survey results and document review ratings. Statistical tests were conducted¹⁵ to determine whether differences in ratings among survey respondent groups were statistically significant. For all but two micro-indicators,¹⁶ these differences were found to be statistically significant and not a random variation.

The survey data for each KPI and MI by quadrant are presented in Volume II, Appendix V. The document review ratings are presented in Volume II, Appendix VI.

¹⁴ Mann-Whitney U tests of differences between DAO and non-DAO respondents on weighted data, $\alpha = 0.05$, found that differences were significant for one micro-indicator (“IFAD adjusts overall portfolio in country quickly, to respond to changing circumstances”). Significance testing aims to analyse whether there are differences in the data that are unlikely to have occurred by chance. However, the explanatory value of such tests is limited and there are several possible reasons why no significant difference was found between the DAO pilot countries and non-DAO countries in the 2010 assessment. The reasons include: (i) DAO does not affect the performance of the MO country team along the indicators measured, and therefore there are not differences or (ii) there are differences, but they are due to other factors that have greater influence on the indicators measured.

¹⁵ For micro-indicators for which all three respondent groups gave answers, the Kruskal-Wallis test was conducted. For micro-indicators with two respondent groups, the Mann-Whitney U test was conducted. In both cases, tests were conducted on weighted data, $\alpha = 0.05$.

¹⁶ Micro-indicators: “IFAD’s institutional culture is client focused” and “IFAD allocates concessional aid funding according to its published criteria.”

3.3.2 Strategic Management

In Quadrant I: Strategic Management, 18 MIs were rated in the survey and 15 in the document review. These are discussed below.

Figure 3.4 below shows the overall survey and document review ratings for the four KPIs in the strategic management quadrant. Figure 3.5 shows the mean scores for the four KPIs for all survey respondents, and by respondent groups.

Figure 3.4 Quadrant I: Strategic Management – Survey and Document Review Ratings

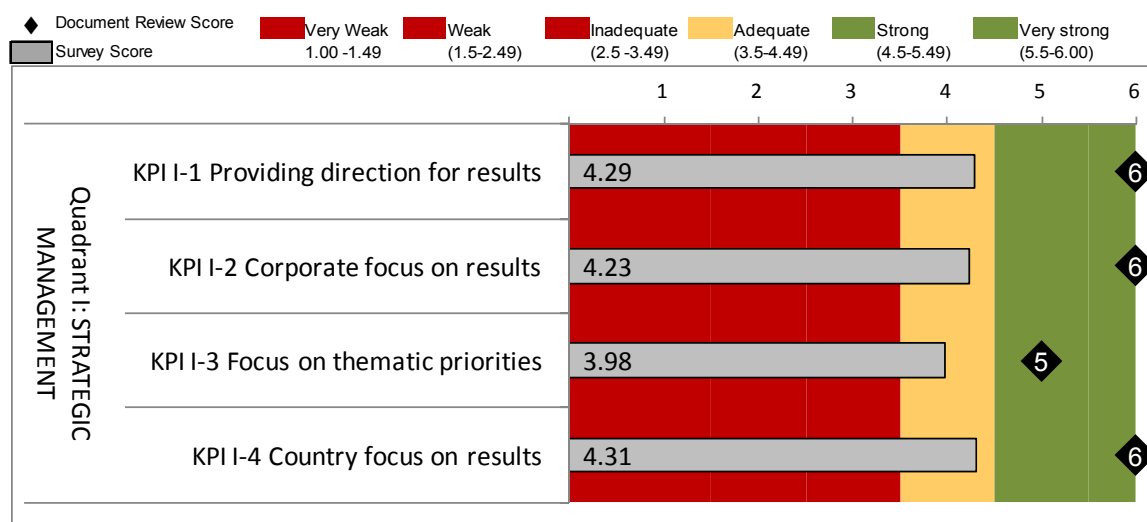
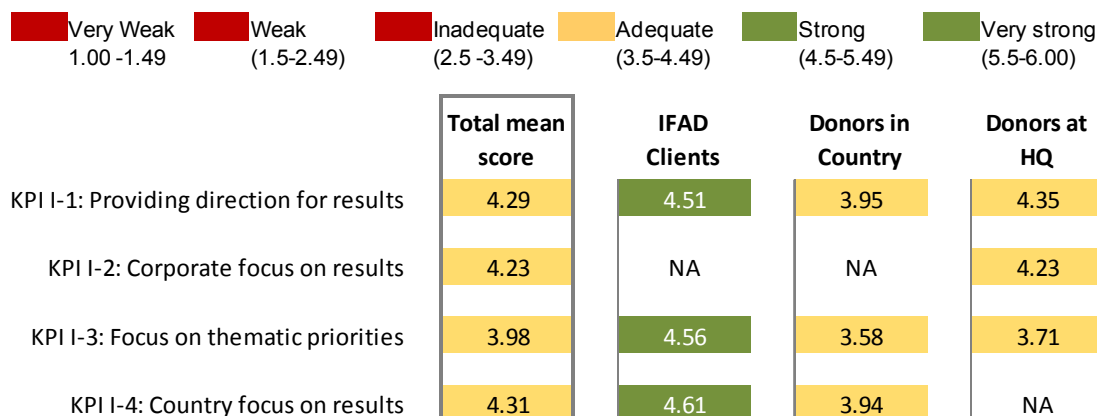


Figure 3.5 Strategic Management Performance, Mean Scores by Respondent Group

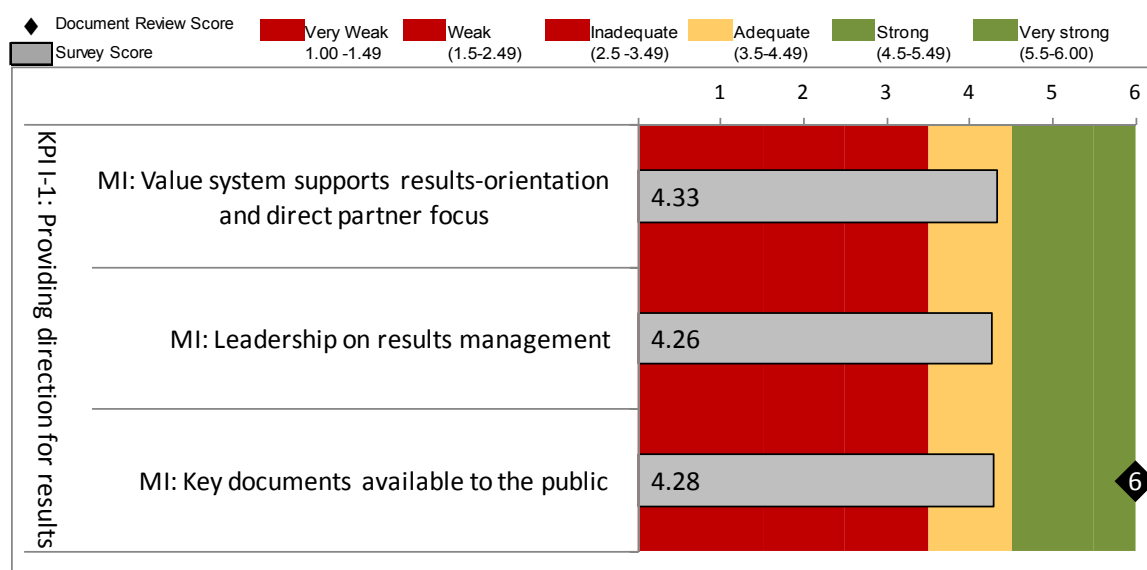


KPI I-1: Providing Direction for Results

Finding 1: Survey respondents rated IFAD’s executive management as adequate in providing direction for results. IFAD is rated as very strong by the document review for making key documents available to the public.

IFAD’s performance in this area was rated adequate overall by the survey and a majority of respondents (70 percent) provided a rating of adequate or above on the three MIs related to this KPI. The document review, which rated only the MI on availability of documents, gave IFAD a score of very strong on this indicator.

Figure 3.6 KPI I-1: Providing Direction for Results, Ratings of Micro-indicators



MI: Value system supports results-orientation and client focus

This MI was not assessed by the document review, but was represented by two questions in the survey: one asking whether the institutional culture reinforces a focus on results and the other asking if its culture is client focused. Survey respondents provided an adequate rating to IFAD for having a value system that supports a results orientation and a direct partner focus. The majority in all respondent groups provided ratings of adequate or above on both questions, but client respondents were particularly positive (84 percent provided a rating of adequate or higher).

MI: Leadership on results management

Only MOPAN donors at headquarters were asked about the leadership provided by IFAD’s executive management on results management and a majority (72 percent) provided a rating of adequate or higher on this indicator.

MI: Key documents available to the public

This MI was assessed through both document review and survey:

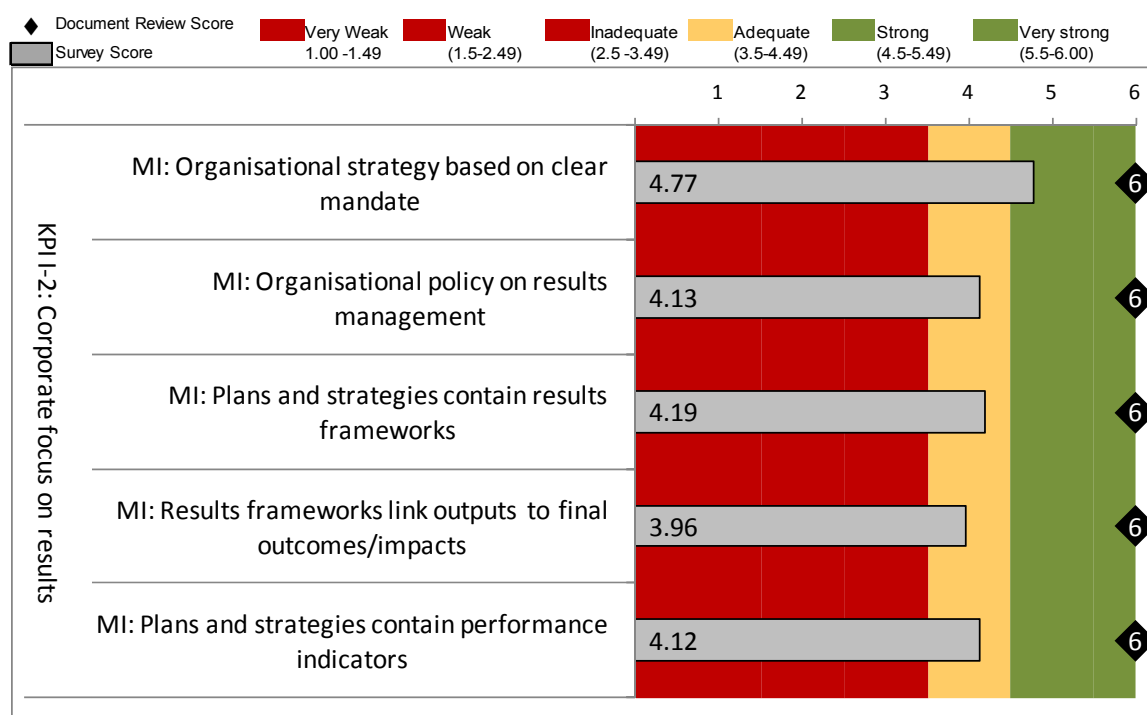
- 67 percent of the respondents rated IFAD as adequate or better on this MI;
- IFAD was rated as very strong by the document review in making key documents available to the public. Key documents (e.g., policy documents, Executive Board decisions, Annual reports, documents related to the results agenda and country program documents) are easily available on IFAD’s website. In addition, the organisation has a recently updated disclosure policy that outlines the main principles for making documents available for the public.

KPI I-2: Corporate Focus on Results

Finding 2: IFAD’s corporate focus on results was considered adequate by MOPAN members at headquarters. It received a score of very strong from the document review.

The majority of donors at headquarters (71 percent) provided ratings of adequate or above on this KPI and the five MIs were all rated as adequate or strong. The document review gave it ratings of very strong.

Figure 3.7 KPI I-2: Corporate Focus on Results, Ratings of Micro-indicators



MI: Organisational strategy based on a clear mandate

Respondents were positive about the clarity of IFAD’s mandate and the extent to which its strategy is aligned with the mandate. This MI was rated as strong and received ratings of adequate or above from 91 percent of respondents. The document review confirmed this perception. IFAD’s strategic Framework 2007 – 2010 explicitly refers to its mandate described in the document *Agreement Establishing the International Fund for Agricultural Development* and includes a specific section describing what it has done and will do in order to fulfill this mandate.

MI: Organisational policy on results management

The majority of donors at headquarters (72 percent) provided a rating of adequate or above on this MI. It received a rating of very strong based on the review of documents. IFAD’s approach to management for results is outlined in its *Results Measurement Framework (RMF)*, which was approved by IFAD’s Executive Board in September 2009. While this Framework is not defined as a “policy”, it outlines the purpose and benefits of the system (to measure and improve the development effectiveness of IFAD), identifies how results and indicators are identified, and clarifies how performance information will be used.

IFAD’s Reform Agenda

IFAD has implemented several reforms in order to improve its results focus in recent years. Since the approval of the Action Plan for Improving IFAD’s Development Effectiveness by the Executive Board in 2005 IFAD has developed a number of tools including the reformulated Strategic Framework 2007-2010; the establishment of a Results Measurement Framework, a results-based work plan and budget and the development of key reporting mechanisms such as the *The Report on IFAD’s Development Effectiveness (RIDE)* and *Annual Report on Results and Impact of IFAD Operations (ARRI)*.

MI: Plans and strategies contain results frameworks

IFAD received ratings of adequate from the survey and very strong from the document review on the extent to which its plans and strategies contain results frameworks. IFAD's Results Measurement Framework (RMF) exists as a separate document but is integrated in the Strategic Framework 2007 – 2010 that refers to the RMF and how it will contribute to the organisation's MfDR agenda. The RMF is based on a "Results Hierarchy" with five levels. Level one describes the desired "macro-outcomes" based on three indicators from the Millennium Development Goals relevant to IFAD's mandate. Level five, the lowest level in the hierarchy, include indicators related to the management performance of IFAD. The first three levels aim to provide measures of IFAD's development effectiveness (Development Results Framework); level 4 will measure IFAD's operational effectiveness; and level 5 focuses on its organisational effectiveness. IFAD has more immediate and direct control over the last two levels (Management Results Framework).

MI: Results frameworks link outputs to final outcomes/impacts

Survey respondents provided an overall rating of adequate on the extent to which IFAD's Results Framework establishes links between outputs, outcomes, and impact. The document review suggests that IFAD performs very well in this area. The results hierarchy explicitly illustrates how lower level outputs will contribute to the next level of outputs or outcomes. The Results Measurement Framework does not include references to scientific studies, assessments or other authoritative sources that have either assessed the plausibility of the causal links between outputs and outcomes, or provided a theory of change upon which the links have been established. IFAD has acknowledged that a more complete understanding is needed in this area: "A sound system will be needed for identifying the causal factors that explain performance. Both self- and independent evaluations need to pay increased attention to this need to manage for development results" (Results Measurement Framework 2010 – 2012, paragraph 61). Thematic evaluations have provided one such source of information.¹⁷ :

MI: Plans and strategies contain performance indicators

In the survey, IFAD received an overall score of adequate on this MI (63 percent of the respondents rated IFAD as adequate or better). The document review rated IFAD as very strong in the way it uses performance indicators in its RMF. They are generally clear and measurable and appear relevant to IFADs mandate and strategy. The indicators related to operational effectiveness are based on internationally accepted criteria such as relevance, effectiveness, and efficiency. Indicators under level 1 (Macro outcomes) take into consideration the Millennium Development Goals and two international indicators about development assistance to agriculture and budget allocated to agriculture. The Framework also includes an appendix that both defines the indicators and provides a source for this definition.

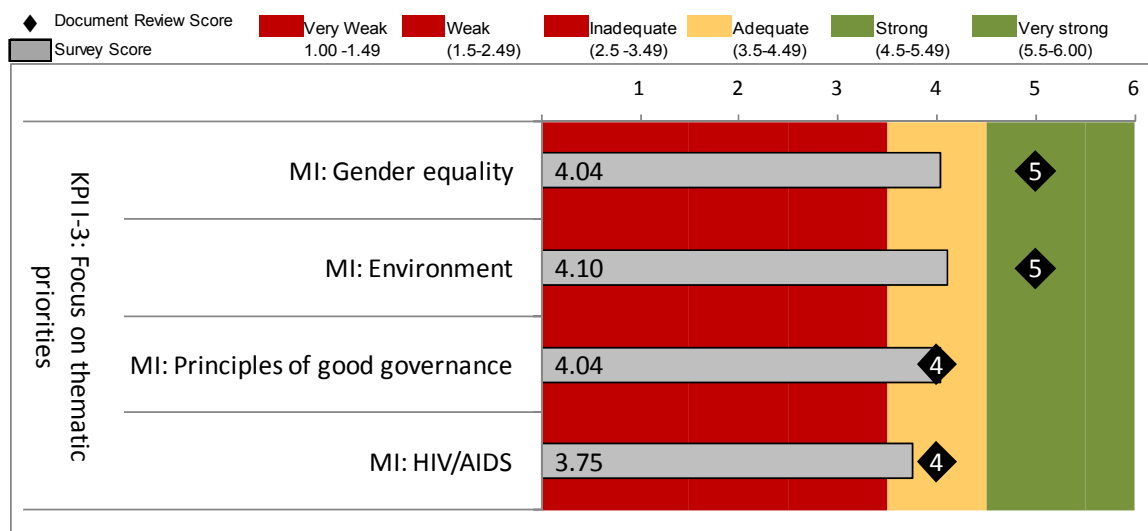
¹⁷ See for example, the evaluations on Rural Financial Services in Central and Eastern Europe (September 2005) (http://www.ifad.org/evaluation/public_html/eksyst/doc/prj/region/cen/financial.htm) or promotion of local knowledge and innovations in Asia and the Pacific (July 2004) (http://www.ifad.org/evaluation/public_html/eksyst/doc/thematic/innovations/pi.htm)

KPI I-3: Focus on Thematic Priorities

Finding 3: IFAD was rated as strong for its focus on cross-cutting thematic priorities, based on the review of its documents, particularly with regard to gender and environment. Survey respondents rated this performance area as adequate.

Cross-cutting thematic priorities covered in this assessment of IFAD include gender equality, environmental protection, good governance, and HIV/AIDS. In the survey results, IFAD received an overall rating of adequate or higher on all the MIs related to this KPI. However, donors in-country expressed some concern in relation to its focus on good governance and HIV/AIDS and rated IFAD as inadequate on these MIs. The document review provided adequate to strong ratings on all MIs in this KPI.

Figure 3.8 KPI I-3: Focus on Thematic Priorities, Ratings of Micro-indicators



MI: Gender Equality

Respondents indicate that IFAD mainstreams gender equality into its programmatic work. Client respondents were particularly positive and 86 percent provided a rating of adequate or above on this area. The organisation was rated strongly in the document review. In 2008 IFAD issued the *Framework for gender mainstreaming in IFAD's operations* as a follow-up to their *Gender Plan of Action 2003 – 2006*. The Framework for gender mainstreaming is based on 3 core principles: a) expand women's economic empowerment through access to and control over fundamental assets; b) strengthen women's decision-making role in community affairs and representation in local institutions; and c) improve the knowledge and well-being of women and ease women's workloads by facilitating women's access to basic rural services and infrastructures. In addition, it outlines a number of operational objectives for mainstreaming gender issues in its operations and defines who is responsible for implementing the Framework. Finally, it provides a results framework for its implementation including objectives, indicators and data sources.

IFAD is currently undertaking an evaluation of its performance in promoting gender mainstreaming in its country programs. The evaluation will be completed in 2010 and presented to the Executive Board in December. It will serve as input to the Fund's first gender policy to be developed in 2011.

MI: Environment

According to the survey respondents, IFAD sufficiently mainstreams environment in its operations. While MOPAN donors at headquarters and donors in-country provided mixed ratings, 85 percent of client respondents provided a rating of adequate or above in this area.

The review of documents analysed the extent to which environmental policies, environmental assessment practices and an overall environmental management system was in place in the organisation.

Various environmental factors and particularly climate change have a very direct impact on the conditions for agriculture and on the target group for IFADs operations – poor people in rural areas. As part of the Consultation on the Eight Replenishment of IFAD's resources in 2008, the Executive Board requested that a corporate strategy on climate change be developed. The Climate Change Strategy was produced in March 2010 and has now been submitted for approval by the Executive Board. The strategy elaborates on the impact of a changing climate on the rural poor and how IFAD will incorporate climate change in its operations, the mobilisation of resources, and in innovation and the creation of knowledge products. The main goal of the strategy, has been broken down to three statements of purpose: i) to support innovative approaches to helping smallholder producers – both women and men – build their resilience to climate change; ii) to help smallholder farmers take advantage of available mitigation incentives and funding; and iii) to inform a more coherent dialogue on climate change, rural development agriculture and food security.

The climate change strategy is too new to have been evaluated, but it includes a commitment to evaluation of its performance: “through thematic evaluations of IFAD's approach to climate and environment, including assessment of performance against project log frames and COSOP results management frameworks.”

IFAD also shows commitment to environmental protection more generally in its Strategic Framework, 2007 – 2010 and in its adoption of environmental and social assessment procedures in the project cycle.

MI: Principles of Good governance

Survey respondents provided diverse ratings on this MI. While donors at headquarters perceived IFAD to be adequate in this area, donors in-country rated its performance as inadequate and clients rated it as strong. The document review rated this MI as adequate.

IFAD does not have an official policy on good governance but presented a document to the Executive Board in 1999 called *Good Governance: An Overview*. The document had two main purposes: i) to review the definitions and elements of the good-governance policies developed by a number of multilateral development institutions; and ii) to examine IFAD's perspective on good governance. It explores what good governance means from IFAD's perspective. Due to its focussed mandate and the fact that it deals with recipient member states at a microeconomic rather than macroeconomic level, good governance in IFAD is quite different from other international financial institutions and the extent to which it can promote principles of good governance is limited.

The document review, which provided a rating of adequate, noted that IFAD mentions the importance of good governance in its Strategic Framework 2007-2010: “An important element of IFAD's work with government institutions will be to promote good governance for rural poverty reduction: transparency, responsiveness and accountability in the planning, financing and provision of public-sector services”. It also promotes good governance through more indirect means such as its Anti Corruption Policy adopted in 2005 (see more detail in Finding 11). The policy, which covers both staff and individuals representing IFAD as well as borrowers, aims at preventing fraud and corruption in IFAD-supported programs and projects. Good governance is also promoted indirectly through its Performance Based Allocation System

(PBAS) that includes a section on governance in the Rural Sector Performance scoring sheet (sector E. “Public resources management and accountability”).

MI: HIV/AIDS

While survey respondents perceived IFAD to be adequate overall in its focus on HIV/AIDS as a cross-cutting thematic priority, donors in-country were less positive and rated it as inadequate. However, both clients and donors in-country appear to be uncertain about its work in this area, with a high percentage (37 and 43 percent respectively) responding ‘don’t know’.

The document review suggests that IFAD’s performance is adequate in this area. While HIV/AIDS is not identified as a cross-cutting priority in IFAD’s 2007 – 10 Strategic Framework, it is mentioned as one of the root causes of poverty – particularly in Eastern and Southern Africa. In 2001, IFAD developed a strategy paper on *HIV/AIDS for East and Southern Africa*. The strategy describes how HIV/AIDS issues should be incorporated as an active element in the project cycle and emphasises the participation of key stakeholders in the planning of interventions. Although the strategy has not been updated, and is limited in geographic scope, IFAD has continued to mainstream HIV/AIDS in country strategies and its investment projects, in countries with high adult seroprevalence of HIV. A scan of a sample of COSOP’s (Kenya, Malawi, Rwanda) confirms that HIV/AIDS prevention strategies are indeed built into the country strategies. Furthermore, IFAD promotes the analysis of the burden of disease in the design of its investment projects in rural areas in affected countries. As a result, projects may include HIV/AIDS mainstreaming components that integrate HIV/AIDS into areas such as rural finance, by: including prevention activities linked to village bank and group meetings; negotiating specialized insurance products; promoting cooperation between financial service providers and organisations that work with those affected by HIV/AIDS; and developing appropriate financial products for households that include a person living with HIV/AIDS.¹⁸ Since many of these efforts are project-specific and are introduced only in affected countries, it may not be surprising that the broader range of IFAD clients and MOPAN donors surveyed is unaware of such activities.

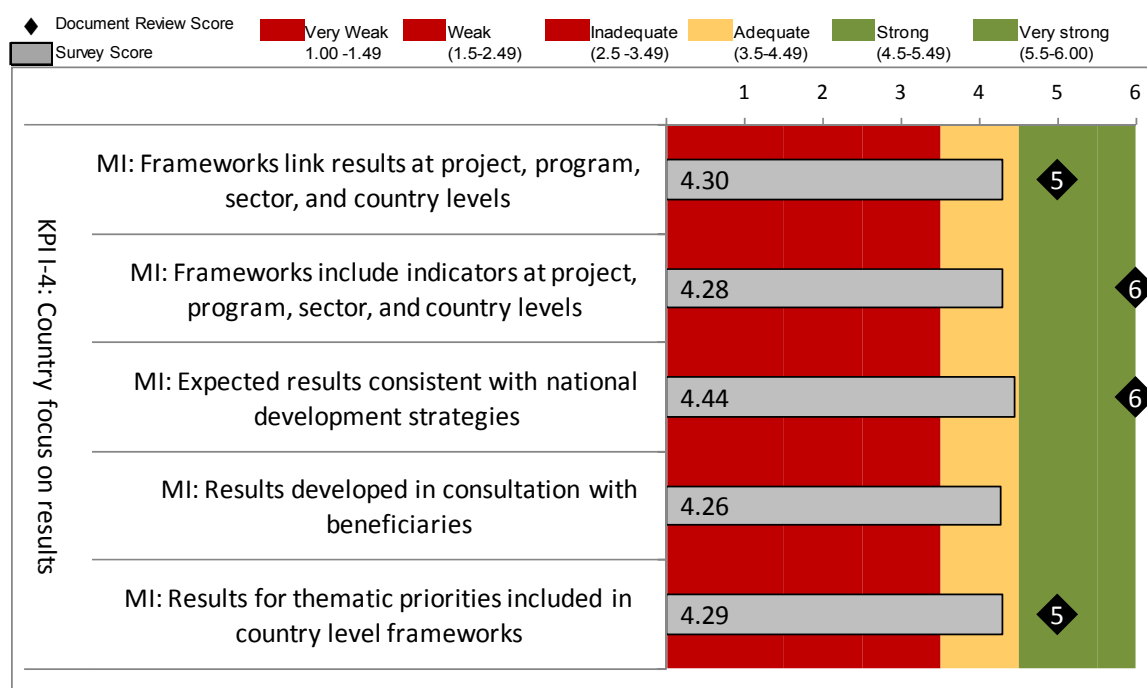
KPI I-4: Country Focus on Results

Finding 4: IFAD’s focus on results at the country level was perceived to be adequate or strong by country level survey respondents. The review of its Results-Based Country Strategic Opportunities Program papers (RB-COSOP) concludes that it has a very strong focus on results.

IFAD’s main planning and monitoring instrument at the country level is the results-based country strategic opportunities program (RB-COSOP). The COSOP reviews the rural poverty situation in the country in order to determine geographic focus and thematic areas of focus for IFAD’s interventions. The COSOP also discusses policy and institutional aspects that will possibly affect the outcome of IFAD operations. In addition, the COSOP includes an overview of IFAD’s previous operations and the lessons learned - particularly from evaluation studies. Donor respondents generally provided ratings of adequate on MIs related to the quality of its results frameworks in the COSOPs while client respondents consistently rated its performance as strong. The document review, which assessed four MIs, provided ratings of strong or very strong on the MIs in this KPI.

¹⁸ See for example the mainstreaming efforts in the Republic of Kenya Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) (May 2010)..

Figure 3.9 KPI 1-4: Country Focus on Results, Ratings of Micro-indicators



MI: Frameworks link results at project, program, sector, and country levels

Country level respondents generally agreed that result frameworks at the country level link results at project, program, sector and country levels (72 percent provided ratings of adequate or above). IFAD received a rating of strong from the document review in this area. The COSOPs sampled for this assessment include statements of expected results at output and outcome levels and all output and outcome indicators are labelled correctly according to their results level. However, while the COSOPs for Indonesia in Appendix V: “Project Pipeline for the COSOP period” includes explicit links between the expected results at the project level and the country level, the four other COSOPs sampled do not systematically do so. Yet, in their guidelines for preparation and implementation of a COSOP the Fund mentions that future COSOPs will include the section on Project Pipeline for the COSOP period. The COSOPs also link sector results to expected results at the country level.

MI: Frameworks include indicators at project, program, sector, and country levels

While survey respondents perceived IFAD to have adequate results frameworks that include indicators at all levels, the document review provided a rating of very strong. The results frameworks in the COSOPs include indicators at project, program, sector and country levels that are generally specific, relevant and measurable. They clearly describe data sources and data collection methods and the performance indicators have targets and dates set in most cases.

MI: Expected results consistent with national development strategies

Survey respondents generally agreed that the results statements are consistent with national development strategies and rated IFAD as adequate on this MI (75 percent provided a rating of adequate or above). However, the document review provided a very strong rating on this MI. A review of a sample of COSOPs confirms that their results statements are explicitly aligned with the targets in national poverty reduction strategies. Their Management Frameworks include a column that describes national poverty reduction strategies and clearly indicates how COSOP objectives and outcome indicators are derived from and linked to these strategies.

MI: Results developed in consultation with beneficiaries

Survey respondents rated IFAD as adequate in involving beneficiaries in the development of results. Overall 64 percent provided a rating of adequate or above, but while 80 percent of clients provided positive ratings, only 48 percent of the in-country donors did so. This MI was not rated by the document review.

MI: Results for thematic priorities included in country level frameworks

The document review rated IFAD as strong on this MI while survey respondents perceived the organisation to be adequate with 64 percent providing a positive rating. Most of the COSOPs sampled include results for the thematic areas that are defined as cross-cutting priorities by IFAD. An example is the latest COSOP for Indonesia that defines how it will include gender mainstreaming in its programming. Similar examples are found in other COSOPs. The COSOP for Rwanda, for example, refers to an evaluation of its country program that concluded that gender was not adequately represented in its country programming. Appendix V in this COSOP includes IFAD’s response to the evaluation and how it will follow up on the recommendations.

3.3.3 Operational Management

In Quadrant II: Operational Management, 23 MIs were rated in the survey and 18 in the document review. These are discussed below.

Figure 3.10 below shows the overall survey and document review ratings for the seven KPIs in the area of operational management. Figure 3.11 shows the mean scores for the seven KPIs for all survey respondents, and by respondent groups.

Figure 3.10 Quadrant II: Operational Management – Survey and Document Review Ratings

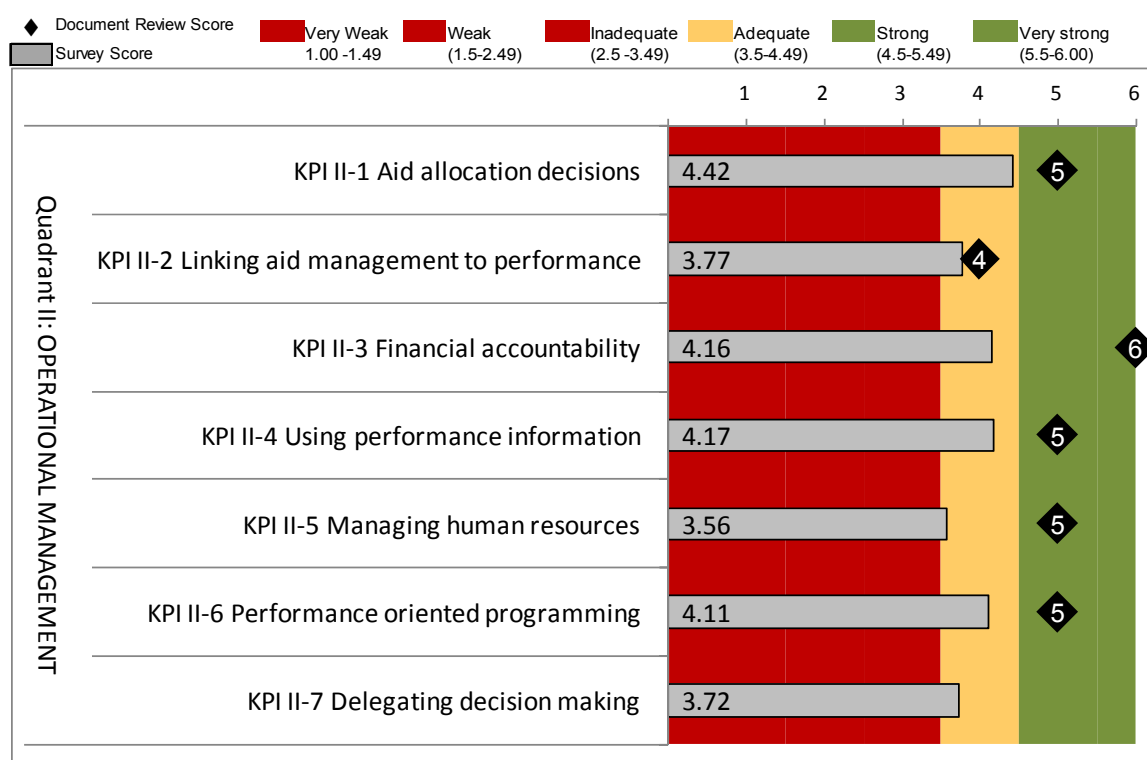
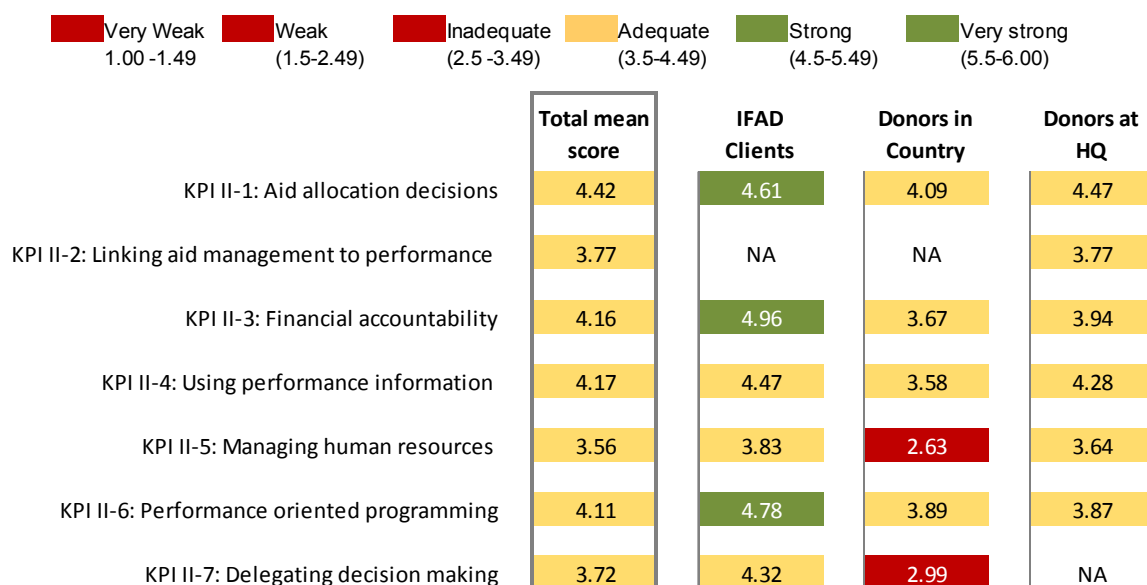


Figure 3.11 Quadrant II: Operational Management Performance, Mean Scores by Respondent Group

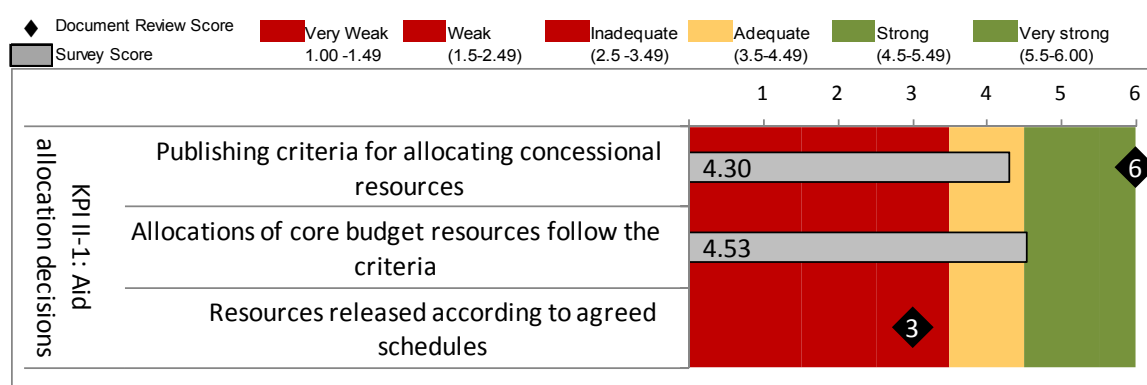


KPI II-1: Aid Allocation Decisions

Finding 5: IFAD is recognised for making transparent allocation decisions about its concessional resources. On the predictability of its aid, IFAD’s performance is rated as inadequate based on the data from the 2008 Survey on Monitoring the Paris Declaration.

Overall survey respondents rated IFAD as adequate on this KPI while the document review rated it as strong. In line with other International Financial Institutions, IFAD uses a “Performance Based Allocation System” (PBAS). Due to IFAD’s specific focus on the agricultural and rural sector, it includes special provision for rural sector performance, which is weighted heavily in the overall assessment of country policies and institutions. IFAD has a section on the PBAS framework on its website and has published an overview of the PBAS allocations for 2010 – 2012 including an index on country scores by region for the Eighth Replenishment (2010 – 2012).

Figure 3.12 KPI II-1: Aid Allocation Decisions, Ratings of Micro-indicators



MI: Publishes criteria for allocating concessional resources

The review of documents rated IFAD's performance as very strong in publishing its criteria for allocating concessional resources. Survey respondents rated its performance as adequate overall, but donor respondents were generally more moderate in their perception of IFAD's performance than client respondents. About 41 percent of donors in-country indicated that they 'don't know' whether IFAD publishes its criteria for allocating funding.

MI: Allocations of concessional resources follow the criteria

Survey respondents who answered that IFAD does publish its criteria for allocating concessional resources (i.e., provided a response of adequate or higher on the previous question) were asked whether IFAD's allocations follow the criteria. Overall, respondents perceived IFAD to follow the criteria, but donors at headquarters and clients were more positive than donors in-country in this area. This indicator was not assessed by the document review.

MI: Resources released according to agreed schedules

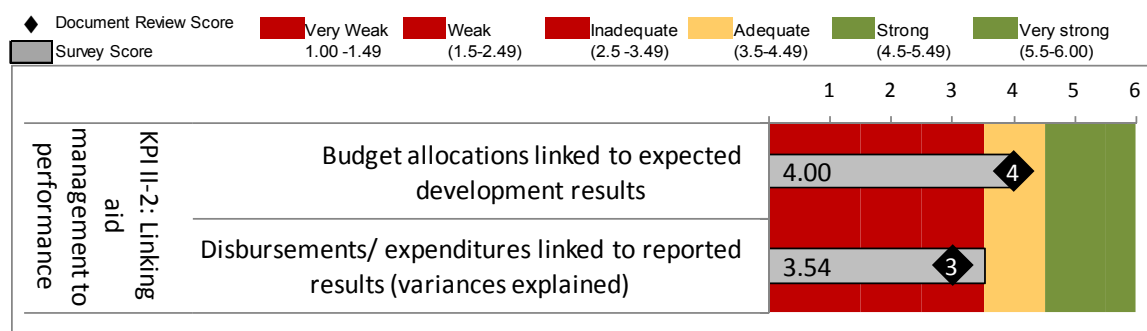
The document review rating for this MI is based on IFAD's results on indicator 7 in the 2008 Survey on Monitoring the Paris Declaration on Aid Effectiveness. According to the 2008 monitoring survey, only 42 percent of IFAD's planned resources were released according to agreed schedules, which is quite far from the 2010 target of 71 percent. However, the indicator may not capture the complexity of the predictability of aid in the IFAD context. In the medium term, the predictability of IFAD's allocation of concessional resources is evident in the COSOPs, which cover a three-year period. On an annual basis, the release of project resources takes place according to annual workplans and budgets. A review of the planned and actual spending in 2009 for a sample of workplans, shows that project resources are, in general, spent according to the overall plan. However, disbursement lags may occur due to several factors, including: governments do not ask for replenishment of their loan accounts in time due to political instability, the weak institutional capacity in borrowing countries, and untimely availability of counterpart funds. . IFAD tracks disbursement lags by monitoring the time between project approval and project effectiveness and the extensions in project duration. IAs noted in the 2009 RIDE, disbursements lags are an area of concern and will require on-going review : *"The number of projects whose duration is extended has been at high levels in IFAD, and project life is usually longer than expected. While this clearly reflects a commitment to reach what projects were designed to achieve, it means that disbursements are slow and the total cost of project supervision and support becomes high. Neither of these are positive developments: financial assistance has no impact until it is disbursed, and the consensus today is that disbursement should be fast."* (RIDE 2009, paragraph 215)

KPI II-2: Linking Aid Management to performance

Finding 6: Donors at headquarters generally perceive IFAD to link aid management to performance. The document review indicates that while IFAD’s administrative budget is results-based, some gaps remain in linking disbursements to reported results.

IFAD was rated as adequate by donors at headquarters and by the document review on this key performance indicator.

Figure 3.13 KPI II-2: Linking Aid Management to Performance, Ratings of Micro-indicators



MI: Budget allocations linked to expected development results

Both the review of documents and donors at headquarters indicate that IFAD performs adequately in linking administrative budget allocations to expected results. As part of IFAD’s reform agenda, the organisation has continued to deepen the implementation of results-based budgets. In “*IFAD’s 2010 results-based programme of work and administrative and capital budgets, and the Office of Evaluation’s three-year (2010-2012) rolling work programme and 2010 resource issues*”, the allocation of administrative resources is centred around an “outcomes-results-processes matrix” which consists of four “clusters” that combine operational and institutional outcomes with corporate management results. The administrative budget is largely focused on the achievement of management results (those results in Levels 4 and 5 of IFAD’s Results Measurement Framework). The allocations for expected development results, especially levels 2 and 3 of the Results Measurement Framework, are determined by the Executive Board, through their approval of programs that are implemented at country level.

There is clear evidence that the 2010-2012 budget represents an important improvement compared to previous budgets in the way expected results are related to aid allocation. The budget integrates, for the first time, the Programme Development Finance Facility within the administrative budget. However, while IFAD is pioneering an approach to results-based budgeting, there is still room for development in certain areas. First of all, the results are very high level and not easily measurable or quantifiable. Furthermore, there is no evidence that the budget tracks costs all the way from activities through to outputs, outcomes and impact, which would require an activity-based accounting system.

MI: Disbursements/expenditures linked to reported results (variances explained)

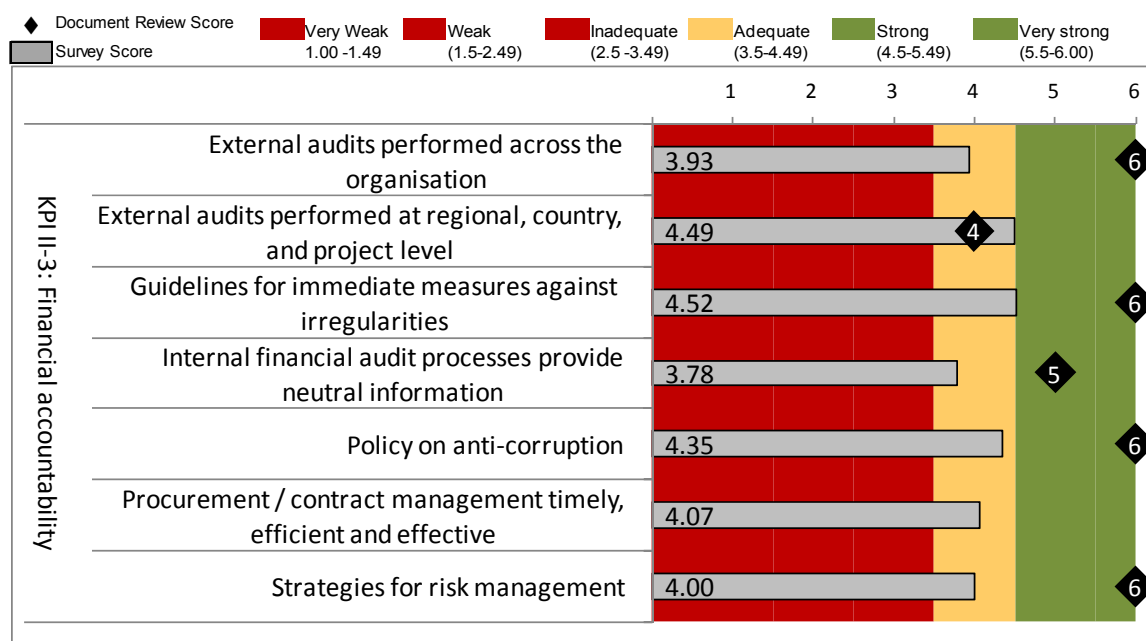
Donors at headquarters provided a rating of adequate on this MI. A review of IFAD’s Annual Reports, the Annual Report on Results and Impact of IFAD Operations Evaluated in 2008 (ARRI), and the Report on IFAD’s Development Effectiveness (RIDE) suggests that there are some limitations in terms of linking disbursements to expected development results. IFAD’s Annual Report 2009 aligns statements of attained results with the 2007-2010 Strategic Framework and the ARRI and RIDE speak to results and other performance criteria of IFAD’s operations, yet the reports do not yet link the resources expended with the results achieved.

KPI II-3: Financial accountability

Finding 7: IFAD’s practices in relation to financial accountability (internal and external audit, anti-corruption policies, and implementation of risk-management strategies) were rated as adequate overall by survey respondents and in several areas were rated as strong or very strong by the document review.

While survey respondents perceived that IFAD has adequate policies and processes for financial accountability, the document review suggests that it performs very strongly overall in this KPI.

Figure 3.14 KPI II-3 – Financial Accountability, Ratings of Micro-indicators



MI: External audits performed across the organisation

Donors at headquarters were asked whether or not external audits were meeting their needs and 63 percent provided a rating of adequate or above on this question.

The document review assessed the extent to which external audits were performed across the organisation and whether they met international standards. A review of IFAD’s annual organisation-wide audits confirms that they are indeed meeting international standards. The Annual Reports from the last five years thus contain letters from auditors (PricewaterhouseCoopers SpA) confirming that the accounting firm “conducted our audit in accordance with International Standards on Auditing” (Annual reports 2005 – 2009).

MI: External audits performed at regional, country, and project level

Survey respondents and the document review suggest that IFAD’s practices regarding external audits at the regional, country and project level are adequate overall. IFAD’s *Guidelines on Project Audits (for Borrowers’ Use)* requires borrowers to conduct regular audits at the project level. In addition, its *Operational Procedures for Project Audits (for use by IFAD and Cooperating Institutions)* confirm that plans for project audits are prepared yearly and distributed to all Cooperating Institutions (CI) for the projects under their supervision. Under normal circumstances, the implementing partner is responsible for project audits, but if IFAD

judges that its auditor does not have sufficient capacity it will include a provision to support the audit of the financial agreement.¹⁹

MI: Guidelines for immediate measures against irregularities

Respondents generally agreed that IFAD has appropriate policies and guidelines in place to follow up on financial irregularities: 61 percent rated IFAD as adequate or above on this MI. However, about 41 percent of the donors in-country indicated that they do not know enough to answer this question. The review of documents suggests that IFAD performs very strongly on this dimension of financial accountability. *IFAD's Operational Procedures for Project Audits (for use by IFAD and Cooperating Institutions)* specifies how the Cooperating Institution (CI) should act in case an audit report reveals the existence of problems. These procedures also specify which actions should be taken if the borrower does not implement the corrective measures within the agreed deadline or if the audit report is not clearly expressing an opinion on the financial information available. The Audit Committee assists the Executive Board in exercising supervision over the internal oversight mechanisms put in place by the organisation. Its responsibilities include the review of the annual workplan of the Office of Audit and Oversight and the review of reports on the status of implementation of internal audit recommendations.

MI: Internal financial audit processes provide neutral information

IFAD's internal financial audit processes are perceived by donors at headquarters (the only group asked) to be adequate in providing objective information to its governing body. This MI received a rating of adequate or higher from 56 percent of the respondents. The document review considered IFAD to be strong in this area. The *Revised Charter of the IFAD Office of Audit and Oversight* clarifies how objectivity and independence of the internal oversight function is secured.²⁰ It furthermore states that: "AUI's (IFAD Office of Audit and Oversight) internal auditing activities will be carried out consistent with the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors (IIA) (Annex I: 4)."

MI: Policy on anti-corruption

Both survey respondents and the document review indicated that IFAD follows up on its policies on anti-corruption. Client respondents were particularly positive (79 percent provided ratings of adequate or stronger). However, 41 percent of donors in-country responded 'don't know'. IFAD has a *Policy On Preventing Fraud And Corruption In Its Activities And Operations*. The policy clearly commits the organisation to the principles and norms established in international frameworks on anti corruption such as the *United Nations Convention Against Corruption by the General Assembly on 31 October 2003*. It also specifies the roles, responsibilities and accountabilities of management, staff and experts / specialists in implementing and complying with the policy. The annual reports on investigation and anticorruption activities are public documents on its website.

MI: Procurement/ contract management timely, efficient and effective

According to survey respondents, IFAD has adequate procurement and contract management processes for the provision of services or goods that are usually timely, efficient, and effective. Client respondents provided a strong assessment on this MI. This indicator was not assessed by document review.

¹⁹ No country, program or project level audits are available on IFAD's website. This is in line with its disclosure policy that states that: "(...) as a result of these decisions, all documentation approved for disclosure by the governing body concerned – with the exception of the Audit Committee – is available to the public on the IFAD web site" (IFAD's Disclosure Policy: 2).

²⁰ See section 4: "Objectivity and independence" in the *Revised Charter of the IFAD Office of Audit and Oversight* for more detail.

MI: Strategies for risk management

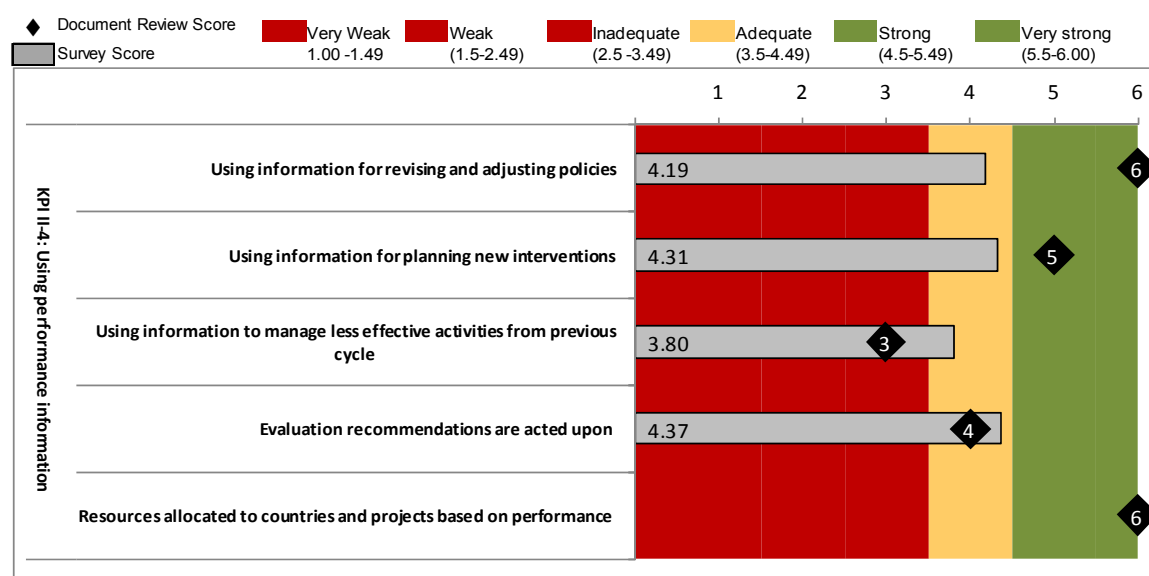
While donors at headquarters perceived IFAD's implementation of strategies for risk management to be adequate, the review of documents suggests that its performance is very strong on this dimension of financial accountability. IFAD's policy for risk management *IFAD Policy on Enterprise Risk Management* adheres to international standards and clearly defines the roles and responsibilities of key actors and organisational units (see section V of the policy). The Policy is based on the internationally recognised risk and control standards of the "Committee of sponsoring Organisations of the Treadway Commission (COSO)."²¹ It furthermore describes the approaches and methods of risk management, including how to identify risk, how to assess risk, how to develop risk mitigation strategies, how to monitor and report on risk, and how to respond to adverse events. Sections IV "Implementing the policy" and V "Roles and responsibilities" of the policy provide detailed descriptions of the roles of the different organisational actors and describe existing systems for risk management on various levels.

KPI II-4: Using Performance Information

Finding 8: Overall, IFAD was rated as adequate by survey respondents and strong by the document review for its use of performance information.

In considering IFAD's use of performance information, the survey and document review examined five micro indicators (two of which were addressed to donors at headquarters, two to donors in-country, and four that were examined in the document review).

Figure 3.15 KPI II-4: Using Performance Information, Ratings of Micro-indicators



MI: Using information for revising and adjusting policies

MOPAN members at headquarter level provided a rating of adequate on this MI and a majority (69 percent) agreed that IFAD uses project, sector, and country information on performance for revising and adjusting policies and strategies. However, the document review rated IFAD as

²¹ COSO is a voluntary private-sector organisation that provides guidance to executive management and governance entities on aspects of organisational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting. COSO has established a common internal control model against which companies and organisations may assess their control systems.

very strong on its use of performance information. IFAD reports on performance through a number of channels: periodic external evaluations and annual reporting mechanisms such as the *Annual Report on Results and Impact of IFAD Operations* (ARRI) and the *Report on IFAD's Development Effectiveness* (RIDE). The ARRI report is prepared by the Office of Evaluation (OE) and synthesises the performance of the projects evaluated within the fiscal year. The RIDE is mainly based on a self-assessment of completed projects within the last year. A review of these documents and a sample of recent policy documents indicate that a number of policies and strategies have been developed or updated as a result of performance information provided through the RIDE, ARRI or external evaluations. One example is the *IFAD Rural Finance Policy* from 2009 which *builds on, updates and supersedes the IFAD Rural Finance Policy of 2000, responding to the recommendations made in the corporate level evaluation of 2006* (p. 4).

MI: Using information for planning new interventions

Donors in-country and particularly client respondents agree that IFAD uses performance information for planning new interventions. In the survey, 61 percent of the in-country donors and 85 percent of the clients provided a rating of adequate or above on this MI. The document review confirms this perception. IFAD prepares the Results Based Country Strategic Opportunities Programs (COSOP) as its main planning and monitoring instrument at the country level. The COSOPs sampled for document review include a description the overall country strategies and systematically include lessons learned from evaluation studies and other sources. In addition they describe actions or priorities for the new COSOP as a result of lessons learned from past activities. At the project level, the most recent Detailed Design Reports include a section in the project description called "*The knowledge base – lessons from previous/ongoing projects*". While these sections do not directly refer to the COSOPs they provide descriptions of what worked or did not work in relevant ongoing or completed projects.

MI: Using information to manage less effective activities from previous cycle

Respondents had mixed perceptions on this MI. While client respondents provided an adequate assessment, donors in-country rated its performance as inadequate. A significant proportion of MOPAN country office respondents and client respondents (46 and 35 percent respectively) did not know if unsatisfactory investments, programs or projects from the previous fiscal year were subject to proactive management.

The document review provided an inadequate rating on this MI, based on the proactivity index reported through the most recent COMPAS publication.²² According to the 2008 COMPAS report, IFAD had a portfolio proactivity index of 63 percent as of 30 December 2008. This is defined as the percent of projects rated 'at risk' (problem projects) 12 months earlier that have been brought out of that category through upgrading, restructuring, closure, or cancellation. However, other data suggests that some of the reforms that have been introduced in recent years should improve the management of problem projects during implementation. The 2009 RIDE reports that: "Under direct supervision, it has been possible to identify and begin remedying weaknesses and problems that in some cases had persisted over considerable periods of time. Direct supervision has also facilitated greater in-country understanding of IFAD requirements, which was often lacking, partly because of the multiplicity of Cooperating Institutions adopting different standards and procedures".²³ The 2009 ARRI also notes that direct supervision is an important aspect of IFAD's new operating model and that such arrangements have helped to improve the performance of projects and programs.

²² For the IFIs, the COMPAS report was to be the data source for assessing this micro-indicator.

²³ IFAD, Report on IFAD's Development Effectiveness, December 2009, p. 29, paragraph 153.

MI: Evaluation recommendations are acted upon

The review of documents and ratings provided by donors at headquarters suggest that IFAD acts adequately on evaluation recommendations. *The President’s Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)* provides the Executive Board with information on the status of recommendations agreed at completion of evaluations and includes a breakdown of follow-up to the recommendations by regional divisions. The President’s Report from 2009 indicates that 64 percent of all evaluation recommendations reviewed during the period 2006 – 2009 inclusive were fully followed up. However, 10 percent of the follow-up activities on evaluation recommendations were still ongoing, 4 percent had only been partially implemented, 16 percent of the evaluation recommendations were not yet due and 3 percent were still pending.

MI: Resources allocated to countries and projects based on performance

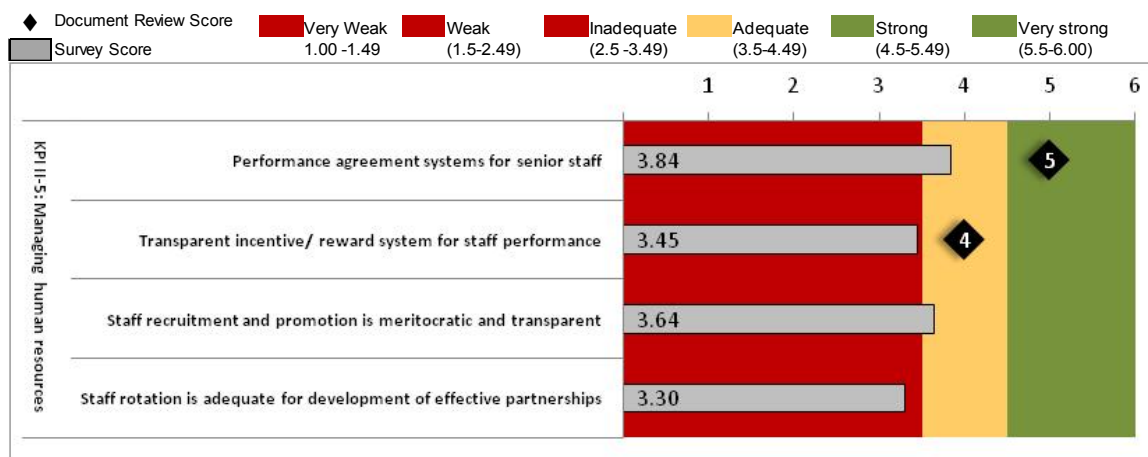
The document review rated IFAD as very strong on this MI, based on data provided in the most recent COMPAS report. According to the COMPAS report 2008, about 94 percent of IFAD’s annual commitments were made in line with the performance-based allocation system (PBAS). In 2008 this amounted to \$565.7 million, part of the overall 2007-09 program of loans and country totalling \$1.85 billion.

KPI II-5: Managing Human Resources

Finding 9: Overall, IFAD was seen to perform adequately in managing human resources by both survey respondents and the document review. However, there were mixed perceptions about the transparency of its system for managing staff performance and the extent to which staff rotation practices support the development of effective partnerships.

This key performance indicator assessed whether IFAD manages human resources using methods to improve organisational performance. Survey respondents rated IFAD as inadequate on two of the four MIs in this area. The document review assessed the organisation as adequate overall.

Figure 3.16 KPI II-5: Managing Human Resources, Ratings of Micro-indicators



MI: Performance assessment systems for senior staff

Donors at headquarters perceived IFAD's performance assessment systems for senior staff as adequate, but 41 percent indicated that they do not know enough to rate its performance.

The document review rated this MI as strong. IFAD is currently implementing an extensive human resources reform that touches on virtually all areas of human resources management. One of the results of the reform process is the introduction of its automated performance evaluation system (e-PES) in 2009 to assess the performance of all professional staff.²⁴ Furthermore, all senior managers, directors and managers (at P4 and P5 level) undergo a performance review based on a 360 degree survey that contributes to the PES process. These new systems were rolled out in the entire organisation for the first time in 2009 so it may not be surprising that the level of knowledge among respondents seems limited in this area. In its Annual Report 2009, IFAD acknowledges that while the new systems represent an improvement they are still too time consuming and that streamlining is necessary in order to make them more efficient.

MI: Transparent incentive / reward system for staff performance

Donors at headquarters rated IFAD as inadequate on the question of whether IFAD uses a transparent system to manage staff performance. Yet, 38 percent indicated that they do not know if IFAD has a transparent system in place.

The review of documents suggests that this aspect of IFAD's human resource system is adequate. The PeopleSoft E-performance system links individual staff objectives to divisional management results and Corporate Management Results (CMR). According to IFAD's data in the 2008 COMPAS report (Subcategory 6B): *"There is strong vertical integration between Corporate Management Results (CMRs) and department and divisional plans that follow through into the Performance Assessment Systems. This was embedded in the IT system in 2008 with the piloting of PeopleSoft e-performance, which enabled staff to link individual objectives to divisional management results and CMRs. The system will be fully rolled out in 2009. Staff evaluations and promotions take into account staff contribution to the CMRs."* However, human resources reforms are still ongoing in IFAD and the organisation made a commitment in the Eighth Replenishment to review the results-based incentive systems of other international organisations. Findings and conclusions from this review will be reported to the Executive Board in September 2011. One of the main objectives of this review is to ensure that staff performance is assessed relative to IFAD's operational outcomes and that incentives are related to results (good performance will be rewarded and weak performance challenged). It should furthermore ensure the accountability of managers and provide a feedback mechanism for staff at all levels (Progress report on human resources reform – a people strategy for IFAD: 9). Thus, improvements in this area may be expected in the coming years.

MI: Staff recruitment and promotion is meritocratic and transparent

This MI received an overall rating of adequate by survey respondents. Although donors at headquarters provided a rating of inadequate concerning the transparency of IFAD's systems for managing staff performance, they were more positive regarding the extent to which its staff recruitment and promotion are meritocratic. This MI was not assessed through document review.

²⁴ IFAD has implemented an annual Performance Evaluation System since 2002.

MI: Staff rotation is adequate for development of effective partnerships

Donors in-country and IFAD clients were asked whether “IFAD keeps deployed international staff in country offices for a sufficient time to maintain effective partnerships at country level.” There were mixed perceptions on this question. Donors in-country provided a rating of inadequate while client respondents provided an adequate assessment. This was the lowest rated micro-indicator in the 2010 assessment. However, 31 percent of donors in-country indicated that they ‘don’t know’ whether IFAD’s staff rotation is adequate for the development of effective partnerships. These responses must be understood in the context of IFAD’s progress in expanding its country presence. IFAD did not have country offices in most of the countries that participated in the 2010 MOPAN assessment.

According to IFAD’s progress report, “Country presence has provided IFAD with an opportunity to meet more regularly with its partners in-country. IFAD is a full member of the United Nations Country Team in most (13) of the country presence countries. Through its country offices, IFAD participated actively in the United Nations Development Assistance Framework (UNDAF) process in 14 countries, in some cases for the first time.”²⁵

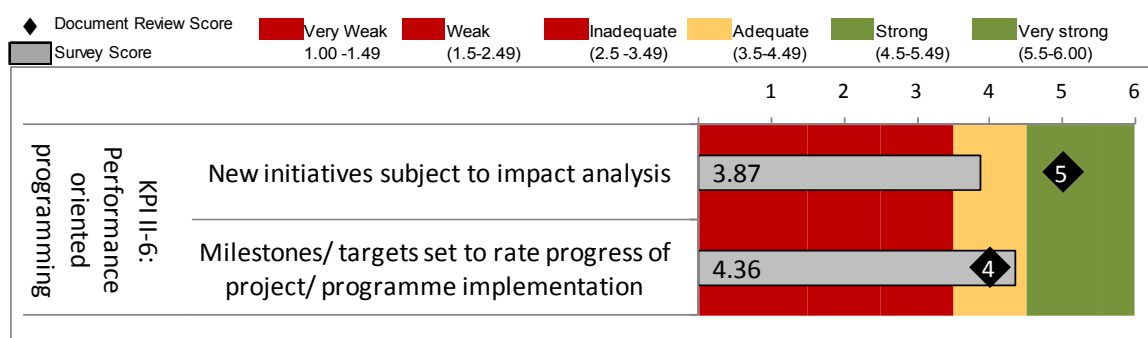
Although donor responses were more positive on this indicator in the countries where IFAD either has a country office or participates in the donor working group--the differences were not significant enough to shift the in-country donor mean score from inadequate to adequate.²⁶

KPI II-6: Performance Oriented Programming

Finding 10: IFAD was rated as adequate by both survey respondents and the document review for its performance-oriented country/regional programming processes.

A majority of the respondents agreed that IFAD subjects new initiatives to impact analysis and that milestones are set to monitor the progress of project implementation and provide an overall rating of adequate on this KPI. The document review also provided an overall rating of strong.

Figure 3.17 KPI II-6: Performance-oriented Programming, Ratings of Micro-indicators



²⁵ IFAD, Progress report and activity plan for IFAD’s country presence, December 2009, p. 7, paragraph 46 (EB 2009/98/R.11)

²⁶ Mann-Whitney U tests of differences between ARD/IFAD presence countries and “no presence” countries on weighted data, $\alpha = 0.05$. The mean score for the in-country donor group was re-calculated based only on the donor responses from those countries with presence, but the new mean score did not represent a higher rating.

MI: New initiatives subject to impact analysis

MOPAN members at headquarters (the only respondent group surveyed for this MI) considered IFAD’s practices on this MI to be adequate, but the review of documents rated it as strong. As part of IFAD’s reform agenda it has updated its project design process and introduced a number of new processes and procedures including procedures for Quality Enhancement for Project Design and project Quality Assurance. In addition, detailed Project Design Reports are now developed for all new projects. These processes are guided by the updated Quality Enhancement Guidelines. IFAD’s Quality Assurance Function ensures that an independent review of the project design will be conducted once the project design is complete. The main objective of this review is to make sure that the projects are sufficiently well designed for loan negotiations and for submission to the Executive Board. This review also determines the quality at entry of projects according to indicators identified in the Results Measurement Framework.

MI: Milestones/targets set to rate progress of project/program implementation

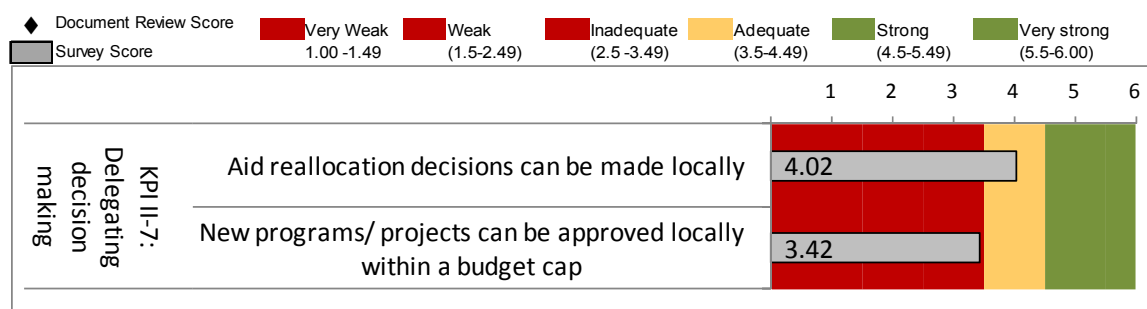
Country level respondents provided an overall rating of adequate on this MI, and client respondents rated IFAD’s practices as strong in this area (78 percent provided a rating of adequate or above). The review of documents included Detailed Design Reports and President’s reports on proposed loans and grants, as well as a sample of annual workplans and budgets.²⁷ These workplans include the kind of milestones that help to rate the progress of project implementation.

KPI II-7: Delegating Decision Making

Finding 11: Survey respondents rated IFAD as adequate overall on delegating decision making, but there were mixed perceptions among donors and clients.

In this KPI, the survey assessed whether IFAD delegates decision-making authority to the country or other levels. MOPAN members in-country and clients rated IFAD as adequate overall.

Figure 3.18 KPI II-7: Delegating Decision Making, Ratings of Micro-Indicators²⁸



MI: Aid reallocation decisions can be made locally

IFAD received an overall rating of adequate on this MI by survey respondents, but donors in-country were less positive and perceived the organisation to be inadequate on the question of whether “IFAD’s project tasks are managed at country level.”

²⁷ The review looked a small sample of annual workplans and budgets for IFAD projects in Bangladesh, Bhutan, China, Rwanda, and Uganda.

²⁸ These micro indicators were not assessed through document review because of the specific situation of IFAD in relation to country presence.

Since IFAD is a UN Specialised Agency and International Financial Institution that provides loans and grants to governments there are some implications for the extent to which aid reallocations can be made locally. The client generally initiates any discussion about reallocations or other amendments at the country level. These can normally be approved by the President of IFAD.²⁹

MI: New programs/projects can be approved locally within a budget cap

IFAD was rated as inadequate overall by survey respondents on this MI although clients rated it as adequate. However, 55 percent of donors in-country and 30 percent of clients answered that they did not know if loans/credits can be approved locally. This high level of ‘don’t know’ answers may not be surprising given some important characteristics of IFAD : its limited field presence and the fact that all loans and grants are approved by the Executive Board..

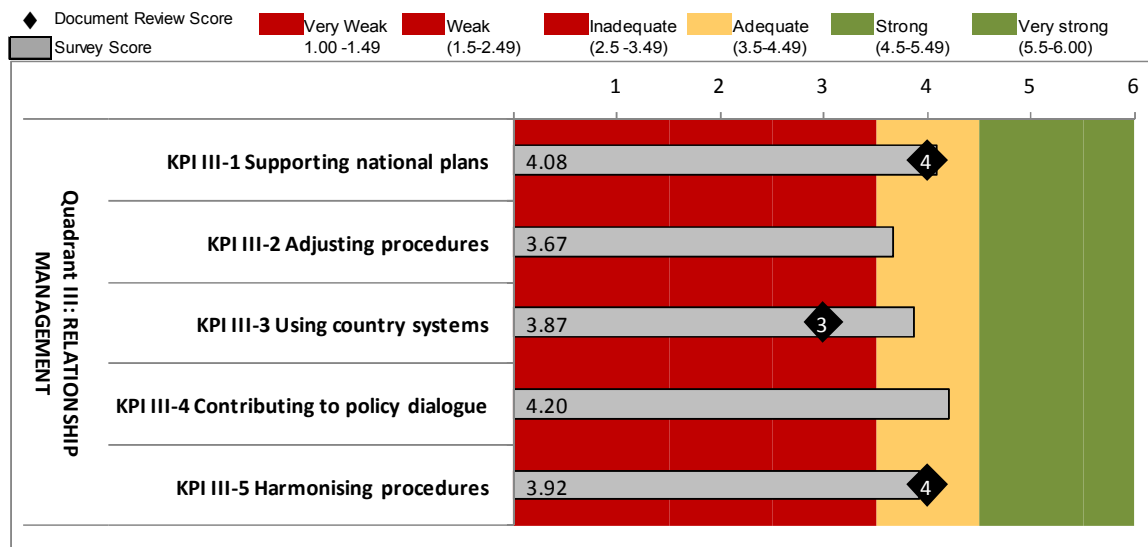
3.3.4 Relationship Management

In Quadrant III: Relationship management, 15 MIs were rated in the survey and 6 in the document review. These are discussed below.

Figure 3.19 shows the overall survey and document review ratings for the five KPIs in the relationship management quadrant. Figure 3.20 shows the mean scores for the five KPIs for all survey respondents, and by respondent groups.

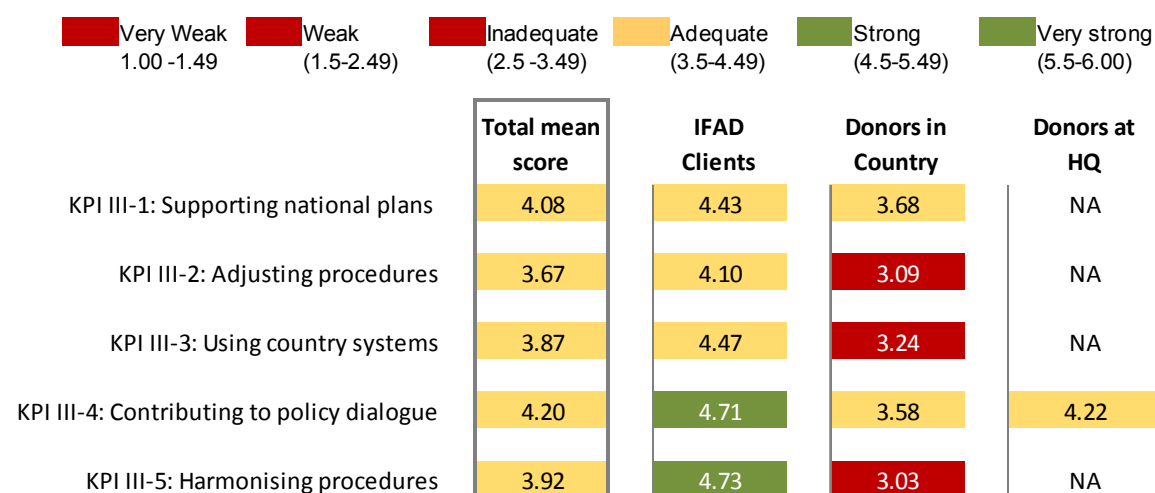
The indicators in Relationship Management assess an organisation’s progress on its commitments to the international aid effectiveness agenda, namely the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action (AAA). Most of the key performance indicators comprise micro-indicators that were translated into questions for respondents at the country level; MOPAN members at headquarters were only asked about the indicator on IFAD’s contributions to policy dialogue.

Figure 3.19 Quadrant III: Relationship Management – Survey and Document Review Ratings



²⁹ IFAD, Loan and Grant Administration: Operational Manual, Section 6.3.

Figure 3.20 Quadrant II: Relationship Management Performance, Mean Scores by Respondent Group

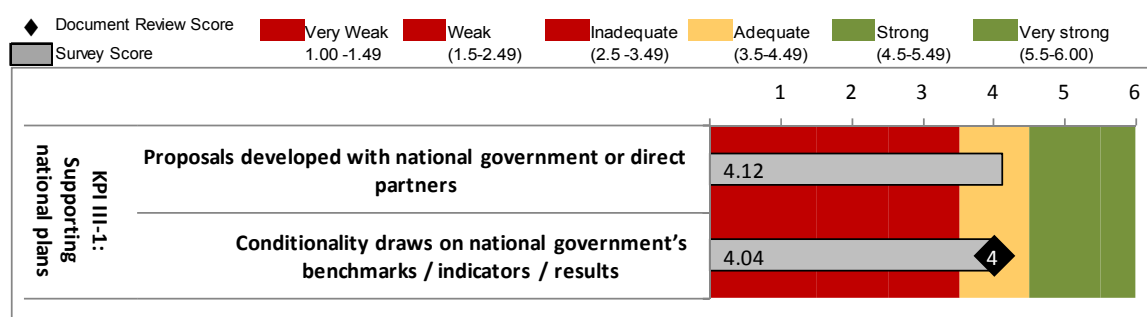


KPI III-1: Supporting National Plans

This key performance indicator measures the extent to which the multilateral organisation’s support to the government is developed in collaboration with clients and the extent to which any conditionality that is applied in the aid provided is based on government benchmarks.

Finding 12: Both donors in-country and client respondents perceived that IFAD provides aid programming in support of national plans.

Figure 3.21 KPI III-1: Supporting National Plans, Ratings of Micro-indicators



MI: Proposals developed with the national government or direct partners

IFAD is perceived to perform adequately in its support for funding proposals that are designed and developed with its clients. This question was only asked of clients and donors at the country level, and was not rated through a review of documentation.

MI: Conditionality draws on national government’s benchmarks/indicators/results

Respondents viewed IFAD as adequate on this MI. According to the review of documents, IFAD does not apply policy conditionality as part of its lending practices. This is partly due to IFAD’s narrow focus on the rural and agricultural sector and partly due to its relatively limited scale of financing (as compared to the World Bank and other major IFIs). IFAD only comes close to imposing policy conditions when it engages in co-financing of projects or programs with the World Bank. IFAD’s *General Conditions for Agricultural Development Financing* describes the legal instruments and procedures for administering the Fund’s financing, and does not include policy conditions. The General Conditions were revised in 2009 to standardise and simplify the

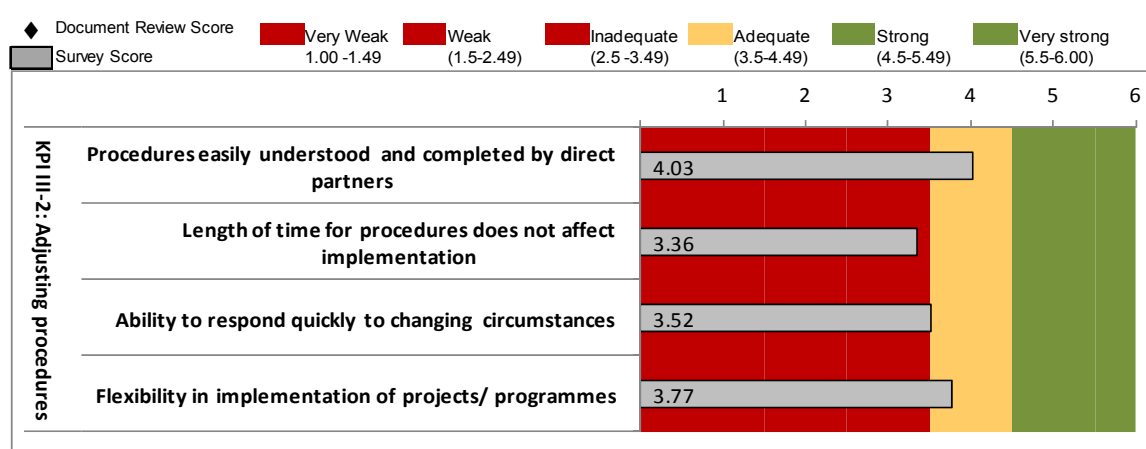
procedures, make them more flexible in terms of accommodating supervision directly by IFAD or the cooperating institution, and to harmonise them with the World Bank approach to financing the payment of taxes.

KPI III-2: Adjusting Procedures

Finding 13: IFAD was rated as adequate overall for having procedures that take into account local conditions and capacities. However, while client respondents consistently rated this area as adequate or strong, donors in-country rated it as inadequate.

IFAD’s performance in this area was perceived differently by clients and donors. Client respondents generally agreed that IFAD’s procedures take into account local conditions and capacities whereas donors in-country were more concerned and generally did not agree. This KPI was not assessed by the document review.

Figure 3.22 KPI III-2: Adjusting Procedures, Ratings of Micro-indicators



MI: procedures easily understood and completed by direct partners

Overall, respondents perceived that IFAD’s procedures are clear, but there was a difference in ratings between respondent groups: 80 percent of clients provided a rating of adequate or above while only 25 percent of the in-country donors did so. However, 34 percent of donors answered ‘don’t know’ to this question.

MI: Length of time for procedures does not affect implementation

Respondents were asked to rate the length of time it takes to complete IFAD procedures, and whether this negatively affects implementation. Survey respondents perceived IFAD to be inadequate on this MI. Clients were more positive than donors, with 53 percent providing a rating of adequate or above. Among donors in-country, 49 percent rated IFAD as inadequate on this MI, but 33 percent indicated that they ‘don’t know’.

MI: Ability to respond quickly to changing circumstances

While IFAD received an overall rating of adequate on this MI, donors in-country were less positive and provided a rating of inadequate.

MI: Flexibility in implementation of projects/programs

Respondents were asked about the flexibility of IFAD to adjust its implementation of individual projects/programs as learning occurs. There were mixed perceptions about this MI. Although IFAD received an adequate rating overall on this MI, donors in-country were sceptical about IFADs flexibility during implementation of its activities, and the majority in this respondent group (54 percent) provided a rating of inadequate or worse.

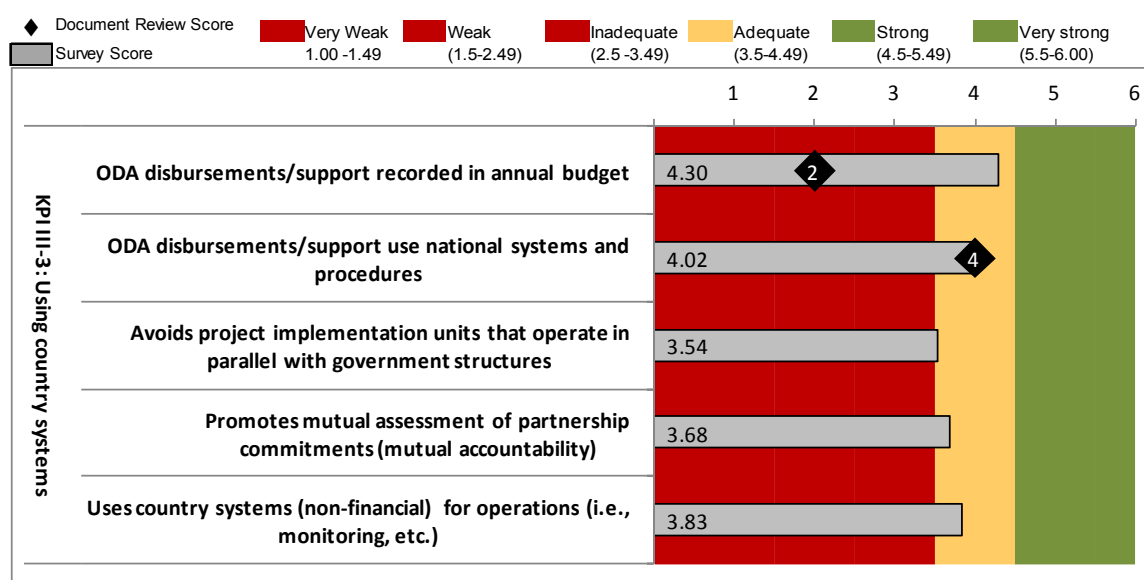
KPI III-3: Using Country Systems

Finding 14: IFAD was perceived by survey respondents to be adequate overall in its use of country systems, but client respondents were much more positive than donors in-country. The document review indicated that this is an area for improvement, based on the data from the 2008 Survey on Monitoring the Paris Declaration.

Client respondents assessed IFAD’s performance as adequate or stronger on all MIs in this key performance area whereas donors in-country rated it as inadequate on four out of the five MIs. However, there was a high level of ‘don’t know’ responses (up to 38 percent) among donors at the country level on several micro-indicators.

The document review, which assessed two out of the five MIs, rated IFAD as weak on one and adequate on the other.³⁰ IFAD reported on its implementation of Paris Declaration commitments in the 2008 *Report on IFAD’s development effectiveness (RIDE)* based on the data generated by the OECD/DAC monitoring survey. However, in 2008 IFAD adopted a new client survey as a means to assess country program performance including indicators related to the aid effectiveness agenda. The Fund expects that this will become its primary data source for reporting on its Paris Declaration commitments.

Figure 3.23 KPI III-3: Using Country Systems, Ratings of Micro-indicators



MI: ODA disbursements/support recorded in annual budget

This MI assessed the percentage of the overall ODA disbursements of IFAD that are recorded in the annual budget as revenue, grants, or ODA loans (which is also indicator 3 of the Paris Declaration). Both respondent groups rated IFAD as adequate on this MI, and a clear majority of client respondents (71 percent) rated IFAD’s performance as adequate or higher.

³⁰ Both of these MIs are based on the data from the Survey on Monitoring the Paris Declaration on Aid Effectiveness. The disbursements recorded in annual budget draws on Indicator 3 and use of national systems and procedures is based on Indicators 5a and 5b.

The document review rating for this MI is based on IFAD's results on Indicator 3 in the 2008 Survey on Monitoring the Paris Declaration on Aid Effectiveness. According to the 2008 monitoring survey,³¹ only 48 percent of IFAD's aid was accurately captured in national budgets in 2007. This is relatively far from the Paris Declaration target of 85 percent. However, IFAD has noted that the definitions for Indicator 3 of the Paris Declaration monitoring survey, which include the concepts of "aid for government sector in budget" and "aid disbursed for government sector" do not fully capture IFAD's financial operations given that IFAD also disburses funds through village organisations, credit programs, and civil society.

MI: ODA disbursements/support use national systems and procedures

There were four survey questions related to the extent to which IFAD uses national systems and procedures in overall ODA disbursements (PD Indicators 5a and 5b). IFAD received an adequate rating overall on all four questions. Whereas client respondents rated IFAD as strong in its use of national budget execution procedures, donors rated it as inadequate on this question (38 percent of donors in-country indicated 'don't know'). Similarly, donors rated IFAD as inadequate on the remaining three questions while clients provided ratings of adequate.³²

The document review rated IFAD as adequate on this MI, based on IFAD's results on indicators 5a and 5b in the 2008 Survey on Monitoring the Paris Declaration. According to the data on these indicators of the Paris Declaration survey, 43 percent of IFAD aid disbursed for government sector uses country public financial management systems and 76 percent of IFAD's aid disbursed for government sector uses national procurement systems. Overall, this is considered to be adequate progress in relation to the Paris Declaration targets in these areas. However, IFAD is further behind on the indicator that measures use of public financial management systems.

MI: Avoids project implementation units that operate in parallel with government structures

Donors in-country were concerned about IFAD's use of parallel project implementation units (PIU) and rated it as inadequate in this area, whereas clients rated it as adequate. This perception may be surprising since IFAD tends to implement its programmes through government structures and work with local implementation units. However, since the 2008 Survey on Monitoring the Paris Declaration did not include data from the 2006 survey, it was not possible to assess the extent to which the number of PIUs has decreased over the period.

MI: Promotes mutual assessment of partnership commitments (mutual accountability)

According to IFAD's clients, the organisation is strong in encouraging mutual accountability assessment of the Paris Declaration and the Accra Agenda for Action. Donors in-country, however, rated IFAD's performance as inadequate. However, 34 percent of donors responded 'don't know'.

MI: Uses country systems (non-financial) for operations (i.e., monitoring, etc.)

Clients suggested that IFAD uses non-financial country systems as a first option for its operations, but donors were less positive and rated the organisation as inadequate on this MI.

³¹ Aid flows aligned on national procedures: "Percentage of aid flows to the government sector that is reported on partners' national budgets."

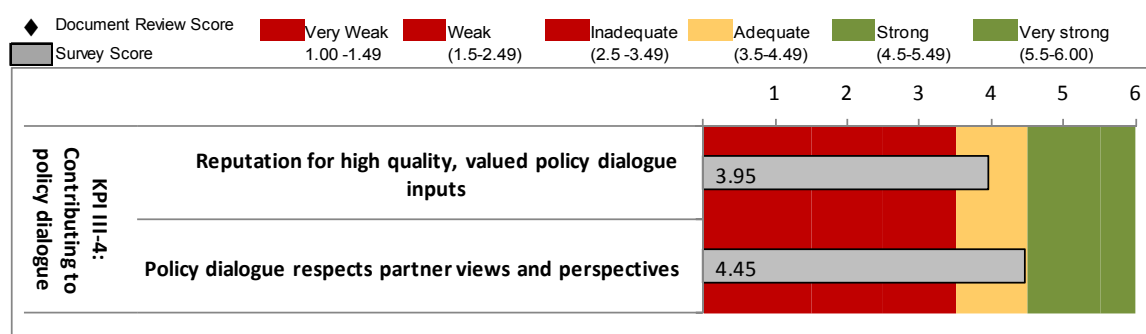
³² Of note, however, is that on two of these questions (IFAD's use of national budget execution procedures and its use of national procurement systems), the views of donors in countries where IFAD has presence, or where there is an active Agricultural and Rural Development working group, are more positive (with mean scores that would be in the adequate range) than the views of donors in those countries where IFAD has no presence at all.

KPI III-4: Contributing to Policy Dialogue

Finding 15: Overall, respondents indicated that IFAD adds value to policy dialogue with its clients, but donors in-country and client respondents had significantly different views on its role in this process.

Overall survey respondents rated IFAD as adequate on the two MIs in this KPI. This KPI was not assessed in the document review.

Figure 3.24 KPI III-4: Contributing to Policy Dialogue, Ratings of Micro-indicators



MI: Reputation for high quality, valued policy dialogue inputs

While client respondents perceived the quality and value added of IFAD’s inputs to be strong, donors in-country rated its performance as inadequate.

MI: Policy dialogue respects partner views and perspectives

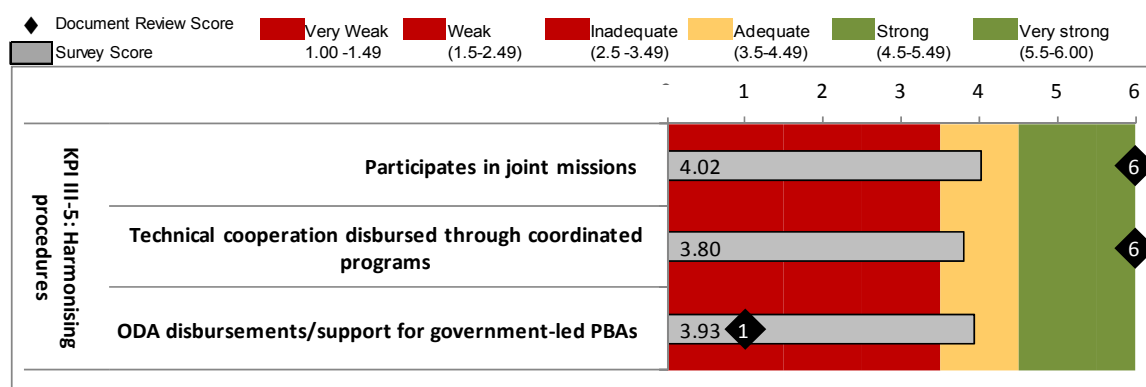
Both respondent groups agreed that IFAD respects the views and perspectives of its clients when undertaking policy dialogue. It was particularly recognised by clients, 76 percent of whom provided a rating of adequate or above.

KPI III-5: Harmonising procedures

Finding 16: IFAD was considered as adequate overall in harmonising arrangements and procedures with other programming partners at the country level. However, clients were significantly more positive than donors in-country.

IFAD was rated as strong by clients and inadequate by donors in harmonising procedures with other programming partners. The document review rated IFAD as very strong on two MIs, but very weak for its participation in program-based approaches (PBA).

Figure 3.25 KPI III-5: Harmonising Procedures, Ratings of Micro-indicators



MI: Participates in joint missions

On this MI, IFAD was rated as adequate overall by survey respondents, but as inadequate by donors.

IFAD was rated as very strong by the document review on this MI. The 2008 Survey on Monitoring the Paris Declaration indicated that IFAD performed well in harmonising arrangements and procedures with other programming partners. According to this survey, 70 percent of IFAD's field missions and 73 percent of its country analytical work were conducted jointly during the survey period.

MI: Technical cooperation disbursed through coordinated programs

Overall, the survey respondents found IFAD to be adequate in providing technical assistance through coordinated programs (PD indicator 4). According to the document review, 78 percent of IFAD's capacity support was provided through coordinated programs – which is well above the target established by the Paris Declaration.

MI: ODA disbursements/support for government-led PBAs

Respondents provided an overall rating of adequate on the question about IFAD's participation in programme-based approaches (other than through budget support). The document review rating for this MI is based on IFAD's results on Indicator 9 in the 2008 Survey on Monitoring the Paris Declaration on Aid Effectiveness. As indicated in the 2008 Survey on Monitoring the Paris Declaration, only 17 percent of IFAD's loans and grants are provided through program-based approaches. This low percentage is not surprising given IFAD's policy on sector-wide approaches for agriculture and rural development and the context for such pooled funding arrangements in this sector.

The IFAD policy “does not permit IFAD to provide general or sector budget support to its Member States. IFAD has no wish to make its resources available in this manner: it has no comparative advantage in doing so. IFAD resources will be provided either within a pooled funding arrangement – at the level either of the programme as a whole or of a subsectoral project making up a part of the programme – or using traditional joint, or stand-alone, financing arrangements.”³³ Thus, IFAD can participate in a pooled funding arrangement at the level of a program or sector, as long as certain conditions are met. For example, it will not engage in pooled funding arrangements unless the World Bank has endorsed the fiduciary arrangements and is either participating in the pooled funding arrangement or providing the government with general budget support. Second,, while SWAPs are common within the health and education sectors where the state plays a very dominating role, the agricultural sector is different in this respect. As indicated in the Policy, SWAPs are relatively more complex in the agricultural sector than in other sectors due to factors such as a high number of producers and market intermediaries and highly different production conditions for the individual farmers.³⁴

3.3.5 Knowledge Management

In Quadrant IV: Knowledge Management, seven MIs were rated in the survey and nine in the document review. These are discussed below.

Figure 3.26 below shows the overall survey and document review ratings for the three KPIs in the knowledge management quadrant. Figure 3.27 shows the mean scores for the three KPIs for all survey respondents, and by respondent groups

³³ IFAD, Policy on Sector-Wide Approaches in Agriculture and rural Development, p. 32

³⁴ Ibid, p. 8-9.

Survey respondents perceive IFAD’s performance to be strong in monitoring external results and adequate in presenting performance information and disseminating lessons learned. IFAD was rated as strong and very strong on these KPIs by the document review.

Figure 3.26 Quadrant IV: Knowledge Management – Survey and Document Review Ratings

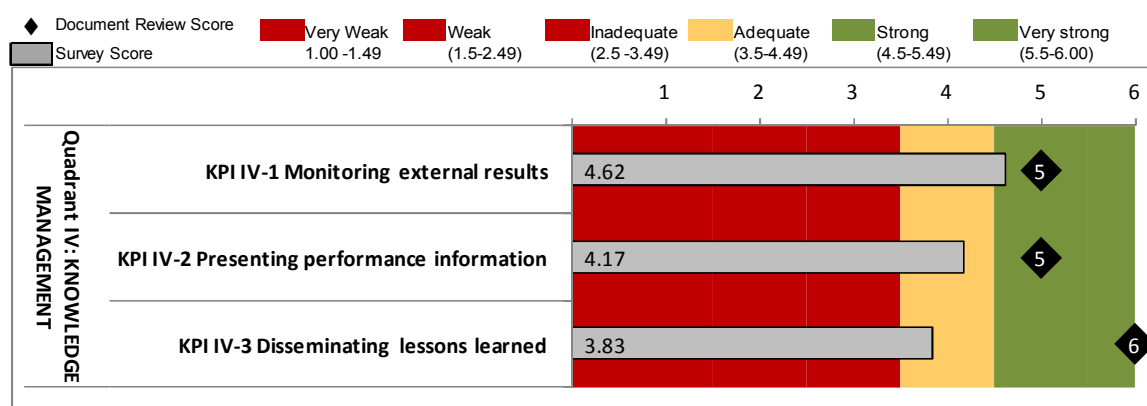
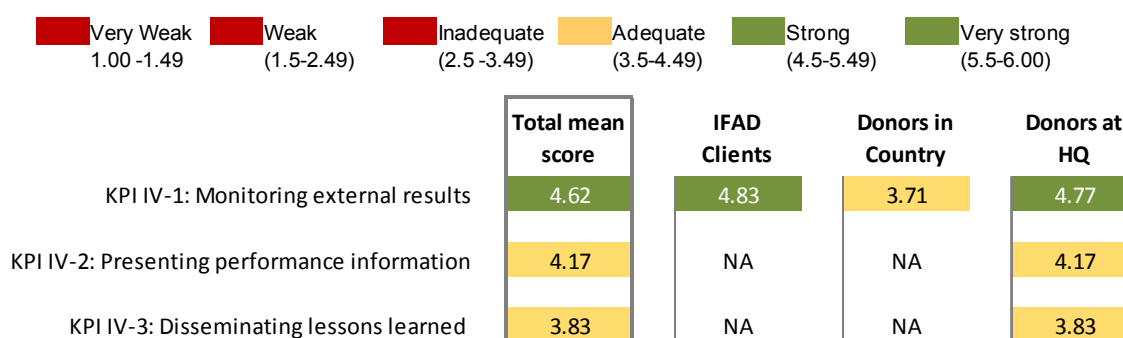


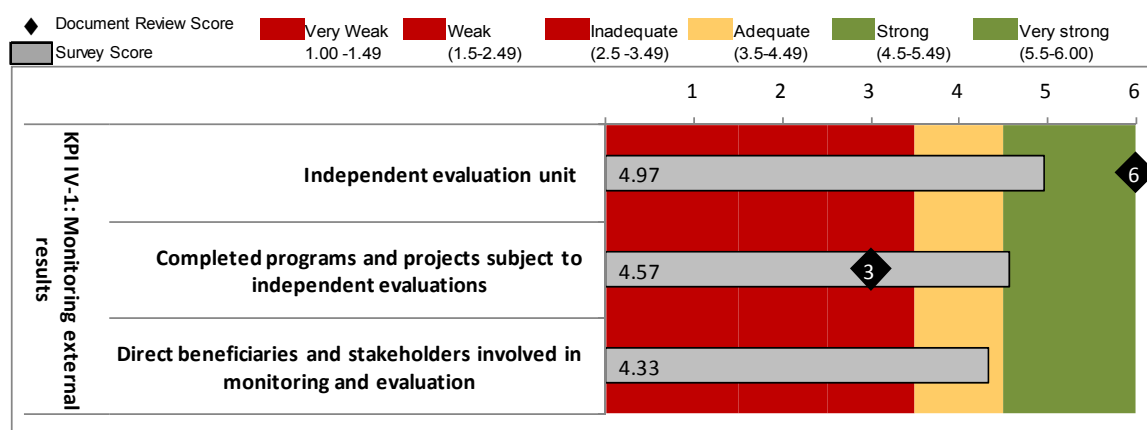
Figure 3.27 Quadrant IV: Knowledge Management Performance, Mean Scores by Respondent Group



KPI IV-1: Monitoring External Results

Finding 17: According to survey respondents IFAD is strong in monitoring external results. The review of documents rated IFAD as very strong for its independent evaluation unit but inadequate in the evaluation coverage of completed programs and projects.

Figure 3.28 KPI IV-1: Monitoring External Results, Ratings of Micro-indicators



MI: Independent evaluation unit

The survey and document review gave IFAD high marks for the independence of its evaluation unit. IFAD's Office of Evaluation (IOE) is responsible for evaluating IFAD's operations and policies. The IOE reports directly to the Executive Board and is structurally independent of IFAD's management. Donors at headquarters recognise it for its independence and for consistently monitoring and evaluating its results. This was the highest rated micro-indicator in this year's assessment.

MI: Completed programs and projects subject to independent evaluations

The review of documents suggests that the proportion of completed projects subject to evaluation is inadequate, based on data from the most recent COMPAS publication. According to the 2008 COMPAS report, three completion evaluations were carried out of the 26 projects completed that year (12 percent of all completed projects).³⁵ IFAD also notes that country evaluations were conducted in India, Niger, Argentina and Mozambique and interim evaluations were conducted in Ethiopia, Uganda and Mauritania.

Donors at headquarters, the only respondent group asked this question, perceived IFAD to perform strongly in this area.

MI: Direct beneficiaries and stakeholders involved in monitoring and evaluation

Donors in-country and clients were asked about the extent to which beneficiaries and stakeholders are involved in monitoring and evaluation functions. While both respondent groups agreed on this MI, clients were particularly positive (84 percent provided a rating of adequate or above). This micro-indicator was not assessed by the document review.

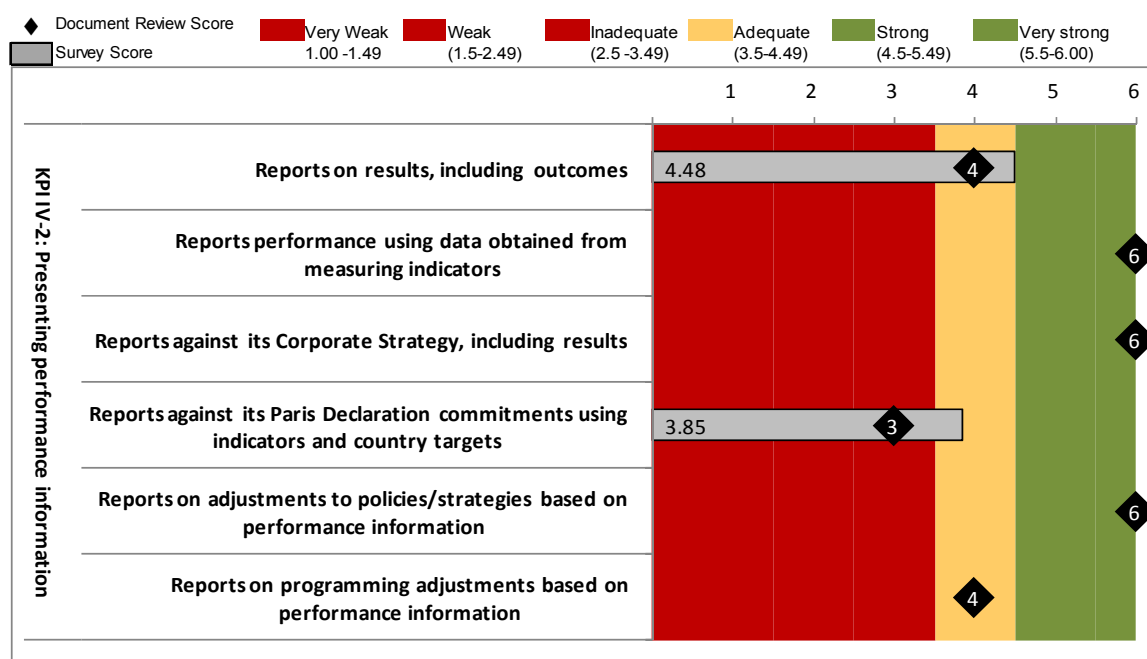
KPI IV-2: Presenting Performance Information**Finding 18: IFAD was rated adequate by survey respondents in presenting performance information, and as strong by the document review.**

The six micro-indicators in this KPI were assessed primarily through document review, but donors at headquarters were asked about two of the micro-indicators.

IFAD presents its performance information through a number of reports, but the two main vehicles for external performance reporting are the Report on IFAD's Development Effectiveness (RIDE) and the OE's Annual Report on Results and Impact of IFAD Operations (ARRI). The ARRI is developed by the evaluation office and is a synthesis of the evaluations conducted during the past year. The RIDEs are largely based on self-assessments of completed projects.

³⁵ COMPAS 2008, p. 38. Data on completed projects from 2007 were used since the data for 2008 are not yet available.

Figure 3.29 KPI IV -2: Presenting Performance Information, Ratings of Micro-indicators



MI: Reports on results, including outcomes

A clear majority of donors at headquarters (84 percent) agreed that IFAD reports to its Executive Board on performance, including progress against targets set in corporate strategies. The document review assessed the extent to which IFAD reports on results including outcomes and not only activities and outputs. It rated IFAD as adequate on this MI and confirms that the ARRI and the RIDE report on different levels from outputs through to outcomes and impact. However, none of the reports systematically present information on unexpected outcomes achieved.

MI: Reports on performance using data obtained from measuring indicators

IFAD received a very strong rating from the document review for using measurable indicators in its reporting on performance and for reporting against its corporate strategy. Both the RIDE and the ARRI provide an explanation of the indicators used to assess the performance of the organisation. The RIDE reports also compare results to previous years and track main trends over time. This is illustrated through a detailed table with six Strategic result indicators, with specific targets at entry, during implementation and at completion of projects.

MI: Reports against its Corporate Strategy, including results

IFAD was rated as very strong on this MI by the document review. Its reporting on performance integrates results statements from its overall Strategy with the Results Measurement Framework and the reporting through RIDE and ARRI. The RIDE reports against a set of corporate management results (CMRs) identified in its corporate planning and performance management system (CPPMS). These results are derived from the IFAD Strategic Framework 2007 – 2010 (see chapter III “Organisational effectiveness and efficiency” in the latest RIDE) and the results are described in clusters similar to the Results Based Budgets.

MI: Reports against its Paris Declaration commitments using indicators and country targets

IFAD was rated as adequate by donors at headquarters on this MI but as inadequate in the document review.

IFAD reported on the implementation of its Paris Declaration commitments in the RIDE 2008, but the reporting was based on the OECD/DAC data and did not report against individual country targets. However, in 2008 IFAD adopted a client survey as a means to assess country program performance including indicators related to the aid effectiveness agenda. IFAD expects that the inclusion of more countries in the client review survey and a systematic extension of annual country program reviews should allow the organisation to use this (instead of the OECD/DAC data) as its primary data source for future reporting on the implementation of its Paris Declaration commitments (RIDE 2009: 40).

MI: Reports on adjustments to policies/strategies based on performance information

The document review rated IFAD as very strong on this MI. The RIDE, the ARRI and various periodic evaluations provide several examples of policies and strategies that have either been updated or drafted based on performance information. Examples include the External Evaluation of IFAD (2005) that identified a need for changing, updating or drafting several policies including the Knowledge Management Strategy and the Supervision and Implementation Support Policy (2007). In addition, the 2009 ARRI mentions the need for a new Natural Resource and Environment policy due to mixed performance in the past on this area. The ARRI suggests that the new Environment policy, among other things, should address the conflict between supporting more intensive agriculture and the environmental impacts this will inevitably have. This MI was not assessed through the survey.

MI: Reports on programming adjustments based on performance information

IFAD was rated by the document review as adequate in reporting on country or other level programming adjustments made or recommended based on performance information.

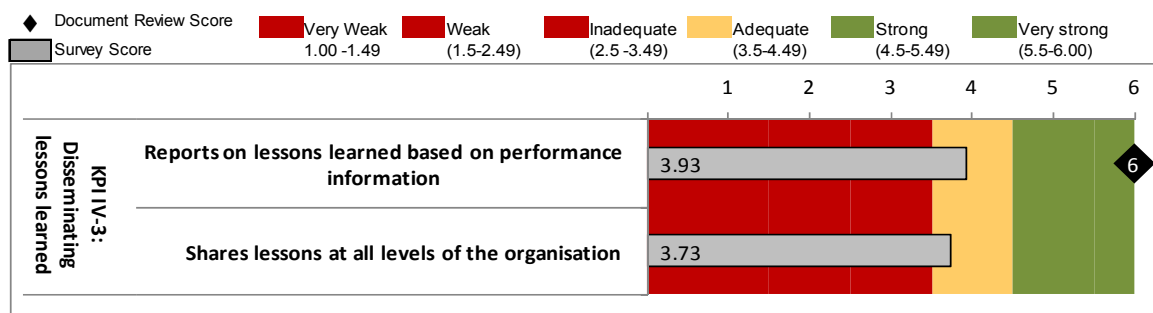
Results-based Country Strategic Opportunities Strategic Programs (COSOP) were sampled from two of the ten countries included in the 2010 MOPAN Assessment. They both describe lessons learned and past results, impact and performance in the country, and discuss what changes need to be incorporated in the planning of new interventions. The section “lessons learned” provides a discussion of the implications of the lessons and how they should feed into the development of new interventions.

KPI IV-3: Disseminating Lessons Learned

Finding 19: Survey respondents consider IFAD’s ability to encourage identification, documentation and dissemination of lessons learned as adequate. The review of documents suggests that IFAD is very strong in reporting on lessons learned based on performance information.

Donors at headquarters (the only respondent group asked) perceived IFAD to perform adequately on the two MIs in this area. The document review, which considered IFAD’s reporting on lessons learned, rated it as very strong.

Figure 3.30 KPI IV-3: Disseminating Lessons Learned, Ratings of Micro-indicators



MI: Reports on lessons learned based on performance information

While IFAD was rated adequate by survey respondents in reporting on lessons learned it received a very strong rating by the document review. IFAD reports on lessons learned through various different reporting mechanisms based on performance information. Both the RIDE and the ARRI reports provide sections on lessons learned based on the performance of IFAD projects and programs. In addition, periodic corporate evaluations include lessons learned. IFAD's Evaluation Policy also has a section that describes how lessons learned should be integrated into the general feedback loop in the organisation and defines the organisational units responsible for integrating the lessons in future programming.

MI: Shares lessons at all levels of the organisation

IFAD received a rating of adequate overall on this MI but there seems to be some level of concern with regard to its practices of sharing lessons learned in the organisation. About 50 percent of the donors who provided a rating on this indicator assessed it as inadequate or below. This MI was not rated by the document review.

3.4 Respondent Views on IFAD's Strengths and Areas for Improvement

Prior to rating IFAD on the series of MOPAN Common Approach micro-indicators, all respondents were asked two open-ended questions. They were asked to identify the greatest strengths and areas of improvement in the way that IFAD operates. Out of 161 respondents, 149 answered these open-ended questions.

"IFAD has an ability to reach poor and vulnerable communities with a clear focus on rural and agricultural development. It uses its extensive networks to utilise best practice." (Donor at headquarters)

"The niche role of the organisation in agricultural development and its preparedness to enter remote regions in which other organisations are not equipped to work." (Donor at headquarters)

"Clear specialisation and mandate for rural and agricultural development, strong focus on targeting the poor, has demonstrated capacity to initiate organisational change during the past few years." (IFAD client)

"Its focus and combination of working through governments and directly with the rural poor at community level through participatory approaches. This lends the organisation a particular sense of ownership." (Donor at headquarters)

"Use of participatory planning right from the grassroots to the top. It means that the beneficiaries are involved in charting their future." (IFAD client)

"The responsiveness of IFAD's officials to our requests, suggestions or recommendations. In my opinion, IFAD usually takes our opinion into its consideration." (IFAD client)

"Openness to learning and continuing reform along a results based framework - laying a foundation for greatest potential strength which may lie in scaling-up innovation." (Donor at headquarters)

"One of the greatest strength of IFAD is its personnel who understand agriculture and rural development well. It also has strength in working with other development partners. Sharing of information with other development partners is another strength." (IFAD client)

Survey respondents considered IFAD's greatest strength overall to be its clear sector focus and expertise within agricultural development.

More than a third of all respondents (donors at headquarters, donors in-country, and clients) noted IFAD's clear mandate and focus on agricultural development as its major strength. In particular, they cited IFAD's accumulated experience and expertise in the sector, its focus on eradication of rural poverty, targeting of the rural poor, and focus on food security.

Other areas of strength noted by all respondent groups included IFAD's focus on beneficiaries (through the use of participatory approaches), its capacity to coordinate and cooperate with national ministries, and its adaptability to national processes and procedures. It was also cited for being innovative and having committed and skilled staff.

Areas for IFAD improvement most frequently identified by survey respondents included its bureaucratic processes and procedures, lack of presence in the field, cooperation and coordination with other development actors, and monitoring and evaluation practices.

The most frequent area for improvement noted by survey respondents related to the efficiency of IFAD's administrative processes and procedures: 18 percent of all respondents pointed to this area and highlighted IFAD's heavy administrative systems, disbursement process, and the time it takes between inception of a program or project to final agreement and implementation. Donors in-country indicated that lengthy administrative procedures have a negative effect on the implementation of projects or programs. (These comments were consistent with survey responses on specific indicators.)

The second most frequently mentioned area was IFAD's limited presence in the field. Respondents commented that IFAD should be more present in the field and use local knowledge to a larger extent.

Other areas for improvement mentioned by clients and donors in-country included: IFAD's monitoring and evaluation practices (including tracking of impact, baseline data and supervision of projects) and its level of cooperation and coordination with other development actors (donors, NGO's, private sector).

There were some patterns in the most frequent areas of improvement cited by the different respondent groups:

- Donors at headquarters most frequently cited IFAD's human resource management practices and the extent to which it is capable of demonstrating actual effects and impacts as its greatest areas of improvement (14 percent respectively).
- Among donors in-country the greatest areas for improvement included IFAD's level of coordination and cooperation with other development partners (26 percent), followed by its limited level of presence in the field (19 percent).
- Clients mentioned bureaucratic and lengthy processes as one of its main weaknesses (26 percent) followed by its lack of field presence (10 percent).

"It needs to reform its administrative, organisational side to support operations. Under the new President, plans are in place and these now need to be implemented with urgency to ensure the organisation is modernised and not weighed down by bureaucratic processes." (Donor at headquarters)

"Shorten the timeline between project conceptualisation and implementation. This is due to the dynamics of the agricultural sector in particular where conditions change very frequently." (IFAD client)

"The planning of funded projects is done in advance before an agreement is signed so that it hardly brings high flexibility. The disbursement has to be based on vouchers very much so it brings difficulties for beneficiaries." (IFAD client)

"In its practices, IFAD should try to improve its way of disbursing, because sometimes it takes much longer time than it should, and this hampers the quick execution of different activities" (IFAD client)

"They don't have local presence. Lack of understanding practical, local challenges, issues, implementation constraint and opportunities." (IFAD client)

"IFAD needs to be more coordinated with other donors and more actively adhere to Paris Principles." (Donor at headquarters)

4. Conclusion

IFAD received ratings of adequate or strong on all key performance indicators (KPI) assessed in the 2010 survey (18 adequate and 1 strong), based on the mean scores of all respondents. The KPI rated as strong was related to IFAD's monitoring and evaluation practices where the independence of the Office of Evaluation was seen as a key strength. The document review provided ratings that ranged from inadequate to very strong on each of the key performance indicators..

- While IFAD received positive responses overall on most of the micro-indicators (MI), clients and donors at headquarters were consistently more favourable in their responses, giving IFAD more ratings of strong and very strong than donors in-country. Donors in-country may be less informed about IFAD operations than donors at headquarters, as suggested by a high level of 'don't know' responses.
- The document review, which assessed 16 key performance indicators, rated IFAD as very strong or strong on twelve of the indicators, adequate on three and inadequate on one indicator (use of country systems).

The findings suggest that IFAD has several key organisational systems and practices in place that favour its organisational effectiveness, namely:

- IFAD was rated as very strong by the document review and strong by the respondents for the clear link between its mandate and its results-focused strategy.
- Its Results Measurement Framework was acknowledged for its use of quality performance indicators and clear hierarchy of results.
- Its Country Strategic Opportunities Program papers were recognised for their focus on results and for linking results at project, program sector and country levels and for including results for cross-cutting themes. They were furthermore seen to be aligned with results statements in national development strategies.
- IFAD received strong ratings from both survey respondents and the document review for the transparency of its aid allocation decisions and for following the published criteria in these decision making processes.
- IFAD also received very strong ratings, based on the review of documents, for several of its practices in financial accountability. Survey respondents gave a strong rating for its guidelines that ensure immediate measures are taken in the case of irregularities.
- Both survey respondents and the document review indicated that the independence of the evaluation unit is a strength. This was the highest rated MI in the assessment.
- The review of documents provided a rating of very strong on IFAD's use of indicators in its reporting and for reporting against its corporate strategy. It also received a very strong rating for reporting on adjustments to its policies and strategies based on performance information.

The Common Approach findings also signalled some potential areas for improvement, in areas where IFAD received ratings of less than adequate.

- While IFAD was acknowledged for its pioneering work on results-based budgets, the review of its Annual Reports, ARRI, and RIDE indicated that there is still room for improvement in linking disbursements to reported development results.
- Survey responses on human resource questions reflect the need to continue to pay attention to this important area of reform. The perceptions suggest that IFAD can still improve transparency in the management of staff performance. At the country level, as IFAD notes, the key question for discussion and on-going monitoring is whether the deployment of staff in country offices is proceeding apace and leading to the expected changes in IFAD performance. IFAD has recently introduced new human resource management systems and is still revising several aspects of its human resources procedures and policies. Survey respondents may not be familiar with all of the new procedures and processes, which may in part explain the discrepancy between survey respondent ratings and the much more positive ratings based on the review of documents. Comments from donors at headquarters, on the open-ended questions asked in the survey, also pointed to a need for continue to strengthen IFAD's human resource practices.
- There was also more mixed performance for IFAD in its use of country systems, which IFAD has already noted as an area where it faces some challenges and has begun to propose greater effort in capacity development, including training and the development of guidelines.

The assessment also identified some areas that may warrant further discussion between MOPAN members and IFAD. .

- Paris Declaration on Aid Effectiveness Indicators. The data from the 2008 Survey on Monitoring the Paris Declaration indicate that the percentage of IFAD's loans and grants that is captured in the budgets of client countries (Indicator 3) is low in relation to the target of the Paris Declaration, but as IFAD notes there are definitional issues that may limit the extent to which the data on this indicator can fully reflect IFAD operations. A similar situation arises with regard to the Paris Declaration indicator on the predictability of aid (Indicator 7). IFAD's performance on the Paris Declaration indicator on use of common arrangements or procedures (Indicator 9) will always be limited by its policy on SWAs, approved by the Executive Board, and by the context for sector and program-based approaches in the agricultural and rural development sector.