

MOPAN ASSESSMENT REPORT

International Fund for Agricultural Development (IFAD)

 MOPAN

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MOPAN ASSESSMENT REPORT

International Fund for Agricultural Development (IFAD)

EXPLANATORY NOTE

MOPAN is the only collective action mechanism that meets member countries' information needs regarding the performance of multilateral organisations. Through its institutional assessment report, MOPAN provides comprehensive, independent and credible performance information to inform members' engagement and accountability mechanisms.

MOPAN's assessment reports tell the story of the multilateral organisation and its performance. Through detailing the major findings and conclusions of the assessment, alongside the organisation's performance journeys, strengths and areas for improvement, the reports support members' decision making regarding multilateral organisations and the wider multilateral system.



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PREFACE

ABOUT MOPAN

The Multilateral Organisation Performance Assessment Network (MOPAN) comprises 22 members* that share a common interest in assessing the performance of the major multilateral organisations they fund.

Through its assessments and analytical work, MOPAN provides comprehensive, independent and credible information on the effectiveness of multilateral organisations. This knowledge base, on the one hand, contributes to organisational learning within and among the multilateral organisations, their direct beneficiaries and partners, and other stakeholders. On the other hand, MOPAN’s work helps Network members meet their own accountability needs, as well as informs their policies and strategic decision making regarding the wider multilateral system.

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ABOUT THE ASSESSMENT OF THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

This report provides a diagnostic assessment and snapshot of the International Fund for Agricultural Development (IFAD) and tells the story of IFAD's performance, within its mandate. It is the fourth MOPAN assessment conducted for IFAD, following those completed in 2010, 2013 and 2017-18. This assessment covers the period from 2018 through 2023.

The assessment of IFAD was conducted through a rigorous process and took a collaborative approach, by integrating the perspectives of a wide range of stakeholders. This collaborative approach provides multilateral organisations and Network members with a robust source of evidence-based guidance on the areas for improvement to achieve enhanced organisational performance.

The assessment draws on multiple lines of evidence (documentary, survey and interviews) from sources within and outside the organisation to validate and triangulate findings across 12 key performance indicators which are broken down into more than 220 individual indicators. The standard assessment framework has been developed based on international good practice and further customised taking into account the specific mandate and priorities of IFAD. Moreover, the assessment framework has also been revisited to capture the COVID-19 impact on IFAD's mandate and operations, as well as to gauge to what extent IFAD has been able to adapt and leverage its internal processes responding to COVID-19 in an agile manner.

The following operating principles (Box 1) guided the implementation of this assessment. [MOPAN's Methodology Manual](#)¹ describes in detail how these principles are realised.

Box 1: Operating principles

MOPAN will generate **credible, fair and accurate** assessments through:

- **implementing** an impartial, systematic and rigorous approach;
- **balancing breadth with depth**, adopting an appropriate balance between coverage and depth of information;
- **prioritising quality** of information over quantity;
- **adopting a systematic approach**, including the use of structured tools for enquiry/analysis;
- **providing transparency**, generating an “audit trail” of findings;
- **being efficient**, building layers of data, seeking to reduce burdens on organisations;
- **ensuring utility**, building organisational learning through an iterative process and accessible reporting;
- **being incisive**, through a focused methodology, which provides concise reporting to tell the story of an organisation's current performance.

Source: MOPAN 3.1 Methodology: Manual, http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf.

IFAD’s assessment report is composed of two parts, the Analysis Summary and the Technical and Statistical Annex.

Part I: Analysis Summary is structured into four chapters. Chapter 1 introduces the organisation and its context. Chapter 2 presents a high-level overview of key findings. Chapter 3 takes a detailed look at those findings, and Chapter 4 provides information about the assessment methodology and its process.

Part II: Technical and Statistical Annex contains the detailed underlying analysis of each score, the list of supporting evidence documents, as well as the summarised results of the external partner survey that fed into this assessment.

TABLE 1. MOPAN ASSESSMENT PROCESS

<p>Stage 1: INCEPTION</p>	<p>The inception phase seeks to ground the assessment in an understanding of an organisation’s mandate, operating model and infrastructure; how it addresses cross-cutting issues; and how it interprets and tracks results and performance.</p>
<p>Stage 2: EVIDENCE COLLECTION</p>	<p>This stage focuses on the collection of robust, relevant evidence against the assessment framework from three streams (document review, interviews and surveys) to minimise information gaps and ensure that assessment findings are credible.</p>
<p>Stage 3: ANALYSIS</p>	<p>In this phase, the data collected are synthesised and analysed to derive findings that are supported by clear and triangulated evidence. Complementary data are collected as needed.</p>
<p>Stage 4: REPORTING</p>	<p>As the assessment report is being drafted, the organisation verifies factual findings, and both the organisation and the institutional lead comment on the analysis. The MOPAN Secretariat and an external expert, where possible, carry out quality assurance. Key findings are presented to the organisation and MOPAN members. A written response from the organisation’s management concludes this stage.</p>



Nigeria – Value Chain Development Programme (VCDP) – November 2023. Evelyn Ifebuch Nwaru threshing rice with the threshing machine provided by IFAD/ VCDP to support rice production for the 17 members of the Chimeremma Women Cooperative Society in Aninri local government area in south-eastern Nigeria’s Enugu State.
Photo: © IFAD/ Andrew Esiebo

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The MOPAN assessment of IFAD was conducted under the overall strategic guidance of Suzanne Steensen, Head of the MOPAN Secretariat. It was prepared under the responsibility of Alison Pollard, who supported the assessment process, with support from Camille Hewitt who helped finalise the report.

MOPAN is grateful to Elizabeth Brilliant, Maxime Charbonneau, Heini Pulli and Mathilde Limbergere, from Canada, Finland and France for championing this assessment of IFAD on behalf of the MOPAN membership.

The assessment was conducted in co-operation with the Centennial Group. Rakesh Nangia led the assessment and is the principal author of the report. A team comprised of Kevin Cleaver, Luc Lefebvre, Shivang Bhakta and Ieva Vilkelyte supported the assessment and contributed to the final report. The report also benefited from an external peer review, conducted by Walter Kolkma and Osvaldo Feinstein. Jolanda Profos and Moira Reddick contributed to the assessment of protection from sexual misconduct.

The external partner survey was administered by Cristina Serra-Vallejo from the MOPAN Secretariat, who together with Corentin Beuaert-Ugolini also supported the implementation and finalisation of the survey.

Part I of the report was proofread by Jill Gaston, and Baseline Arts Ltd provided the layout and graphic design.

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This assessment would not have been possible without the close engagement and valuable contributions of many senior officials and technical staff from IFAD and from representatives of development partners who participated in in-depth interviews and survey.

Finally, MOPAN is grateful to all Steering Committee representatives for supporting the assessment of IFAD, as well as to its member countries for their financial contributions, making the report possible.

Argentina – Goat Value Chain Development Programme (PRODECCA) – November 2022. The aim of PRODECCA is to help small goat farmers in Argentina increase, enhance and market their production of meat, dairy products and fibre, especially mohair and cashmere.
Photo: © IFAD/Factory



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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank	MDB	Multilateral development bank
APP	Actual Problem Project	MI	Micro-indicator
APR	Asia and the Pacific	MOPAN	Multilateral Organisation Performance Assessment Network
ARIE	Annual Report on the Implementation of Evaluation	MSME	Micro, small and medium-sized enterprise
ARRI	Annual Report on the Independent Evaluation of IFAD	MTR	Mid-Term Review
ASAP	Adaptation for Smallholder Agriculture Programme	NAP	Nutrition Action Plan
AUO	Office of Audit and Oversight	NDC	Nationally determined contribution
AVP	Associate Vice-President	NEN	Near East and North Africa
BRAM	Borrowed Resources Access Mechanism	ODA	Official development assistance
CD	Country Director	OPR	Operational Policy and Results Division
COI	Core Indicator	ORMS	Operational Results Management System
COSOP	Country Strategic Opportunities Programme	PBAS	Performance-Based Allocation System
CPP	Chronic Problem Projects	PCN	Project Concept Note
CRI	Crisis Response Initiative	PCR	Project Completion Report
CRR	COSOP Results Review	PCRV	Project Completion Report Validation
CSN	Country Strategy Note	PDR	Project Design Report
CSPE	Country Strategy and Programme Evaluation	PDT	Project Design Team
DEM+	Development Effectiveness Matrix Plus	PES	Performance Enhancement System
DoA	Delegation of Authority	PIP	Performance Improvement Plan
DSF	Debt Sustainability Framework	PMD	Project Management Department
DSM	Debt Sustainability Mechanism	PMP	Performance Management Process
ECG	Environment, Climate, Gender and Social Inclusion Division	PoLG	Programme of Loan and Grants
ENRM	Environmental and natural resource management	PoW	Programme of work
ERM	Enterprise risk management	PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
ESA	East and Southern Africa	PSFP	Private Sector Financing Programme
FAO	Food and Agriculture Organisation	PTL	Project Technical Lead
FCAS	Fragile and conflict-affected states	QAG	Quality Assurance Group
FMD	Financial Management Services Division	RBA	Rome-based agencies
FPIC	Free, prior and informed consent	RBM	Results-based management
GAFSP	Global Agriculture and Food Security Program	RD	Regional Director
GAP	Gender Action Plan	RIDE	Report on IFAD's Development Effectiveness
GEWE	Gender equality and women's empowerment	RMF	Results Management Framework
GNI	Gross national income	RPSF	Rural Poor Stimulus Facility
GTA	Gender transformative approach	SAP	Sustainability Action Plan
HRD	Human Resources Division	SEA	Sexual exploitation and abuse
IA	Impact Assessment	SECAP	Social, Environmental, and Climate Assessment Procedures
IATI	International Aid Transparency Initiative	SH	Sexual harassment
ICO	In-country office	SIS	Supervision and Implementation Support
IDA	International Development Association	SKD	Strategy and Knowledge Department
IFI	International financial institution	SSA	Sub-Saharan Africa
IOE	Independent Office of Evaluation	ToC	Theory of change
IOG	Institutional output group	UMIC	Upper-middle-income country
IPFI	Indigenous Peoples' Forum at IFAD	UN	United Nations
KPI	Key performance indicator	VP	Vice-President
LAC	Latin American and the Caribbean	WEAI	Women's Empowerment in Agriculture Index
LIC	Low-income country	WCA	West and Central Africa
LMIC	Lower-middle-income country	WFP	World Food Programme
M&E	Monitoring and evaluation		
MCO	Multi-country office		

IFAD
PERFORMANCE AT A GLANCE



IFAD: PERFORMANCE AT A GLANCE

ABOUT IFAD

History and mandate

The International Fund for Agricultural Development (IFAD) was founded in 1977 as a United Nations (UN) Specialised Agency. IFAD aims to transform rural areas by reducing poverty and food insecurity through inclusive agriculture and rural development. It focuses on supporting the most disadvantaged and marginalised farmers by providing resources to those with the highest levels of need. This is through work at three levels: (i) at the global level, IFAD allocates resources to the countries in lower-middle-income groups, disadvantaged regions and countries in fragile situations; (ii) at the country level, IFAD channels resources to the disadvantaged regions and most vulnerable socio-economic groups through a COSOP (Country Strategic Opportunities Programme), which is a framework for making strategic choices about operations within a country; and (iii) at the project level, IFAD targets the poorest and most excluded within the project area.

IFAD is both a UN Specialised Agency and an international finance institution (IFI). IFAD is headquartered in Rome, Italy. It currently has 808 permanent staff members with ongoing operations in 93 countries across five regions. It has 12 multi-country offices and 2 regional offices.

IFAD has 178 member states, divided into three groups (or lists). List A consists of economically developed countries. List B are petroleum exporting countries (mostly OPEC members) which were instrumental in IFAD's creation. List C members are eligible for IFAD loans and grants. All three groups of countries contribute financial resources to IFAD. IFAD is financed through the replenishment of its resources by members and increasingly by loan repayments. In

Mauritania – Rural Poor Stimulus Facility (RPSF) – June 2022. Zakaria Amara Baby is helped by one of his sons, Cheikh Zakaria Baby to prepare their garden plot for cultivation. RPSF helped reduce the impact of the COVID-19 pandemic on their farming activities and safeguarded their livelihoods.

Photo: © IFAD/
Ibrahima Kebe Diallo



2022, IFAD's portfolio of ongoing projects had a value of USD 7.98 billion. During the assessment period for this report (2018-23), IFAD obtained an AA+ credit rating from two international rating agencies, permitting it to borrow funds on capital markets.

During 2023, IFAD has engaged in consultations with member states about priorities, targets and commitments to guide its work during IFAD13, between 2025 and 2027. IFAD13 focuses on supporting resilient rural livelihoods and food systems through (i) an enhanced focus on fragile contexts; (ii) investing in biodiversity and climate resilience of small-scale producers; (iii) increasing engagement with the private sector; and (iv) ensuring inclusivity to “leave no one behind”. To maximise opportunities for this assessment to inform and support the successful implementation of IFAD13, the key findings reflect on the relevance and implications for IFAD13.

KEY FINDINGS

IFAD is well positioned to respond to global polycrisis and an evolving development context. The development context has become increasingly complex and challenging since 2013. The COVID-19 pandemic, climate change, increasing global conflict and fragility, sharp increases in internal and external debt, and supply chain disruptions have resulted in the sharpest global economic downturn in decades. Global forecasts on poverty, hunger, malnutrition and climate impact are bleak. The Food and Agriculture Organisation's (FAO) forecasts predict that approximately 575 million people will be living in extreme poverty by 2030, and data show that currently 2.3 billion people are moderately or severely food insecure. The adverse effects of climate change have markedly intensified over the last ten years. The Intergovernmental Panel on Climate Change (IPCC) notes that the increasing frequency and heightened intensity of climate-related phenomena have had a disproportionately negative impact on countries situated within the tropical belt, which is home to the majority of the world's food insecure population. Against this backdrop of major global challenges, IFAD's mandate and role in transforming rural communities and food systems is even more relevant. Given these challenges, IFAD needs to strengthen its strategic focus, doubling down on its past successes, based on strategic analysis of its mandate in light of global needs, and to leverage for impact in ways that are aligned with IFAD's strategy. This includes commitments outlined in IFAD13: concentrating on climate-resilient agriculture, supporting smallholder farmers in fragile and conflict-affected states, supporting the Leave No One Behind agenda and fine-tuning its operational model to further enhance impact, effectiveness and efficiency.

Strengthening IFAD's focus while managing ambitious goals and expanding mandates: IFAD has a well-defined and clearly articulated strategy (Strategic Framework 2016-2025) that is closely linked to its results framework, its mandate, major global challenges and the needs of its beneficiaries. Its Strategy and Action Plan on Environment and Climate Change 2019-2025 helps implement its objective of improving the climate resilience of smallholder farmers, environmental sustainability and resilience – a key strength of IFAD and a priority identified in IFAD13. IFAD is also responsive to a wide range of goals and targets set in its replenishment consultations. Its responsiveness means that IFAD is committed to an ambitious and expanding range of objectives.¹ This expansion of mandates occurred despite minimal real-term growth in administrative resources from 2016 to 2022. Consequently, IFAD's ability to fully meet these demands has been limited. The assessment identifies a concern that the increasing ambition and activity may lead to a dilution of IFAD's niche focus and the erosion of its distinctive comparative advantage. As IFAD responds to diverse objectives, the challenge is in selectivity, strategic prioritisation and engagement in partnerships aligned with its role in the multilateral system. Balancing commitments is crucial to allocate adequate attention and resources to each priority area. Strategic partnerships can enhance effectiveness in addressing multifaceted challenges. It is important for both the shareholders and IFAD management to reflect upon the expanding mandate and align it with the resource envelope, including the internal capacity to deliver.

1. IFAD's mandate includes gender transformative approaches, strengthening rural communities, tackling malnutrition, empowering smallholder farmers to navigate multifaceted issues, supporting farmers to adapt to the impacts of climate change and addressing specialised concerns affecting indigenous communities, rural residents with disabilities and rural youth, including unemployment.

Doubling down on past successes to maximise organisational effectiveness and efficiency: IFAD has made progress in each of the areas identified by the previous MOPAN assessment, which focused on performance between 2013 and 2018. This includes (i) increasing the speed of disbursements; (ii) strengthening stronger analysis of domestic institutional capacity in its project work; (iii) measuring the impact of its knowledge management work; (iv) incorporating a human rights and good governance focus; and (v) engaging more with higher-level government policy. The importance of these areas is highlighted in the priorities and commitments within IFAD13. While there has been progress in each of these areas over the past five years, IFAD would benefit from continued efforts to make further advancements. For example, the speed of disbursement is still below the IFAD12 target; analysis of domestic institutional capacity has been strengthened especially for procurement, but further improvement is needed; while IFAD's knowledge management system has improved over the past five years, it would benefit from greater strategic co-operation with other development partners. The development impact of improvements in these areas will be mutually reinforcing and cumulative.

Leveraging for impact and deepening engagement with the private sector: IFAD has already made progress on expanding its resource base, and IFAD13 highlights the necessity of engaging with the private sector to achieve the Sustainable Development Goals (SDGs) and respond to major global challenges. IFAD's high rating (AA+) from two international rating agencies supports continued borrowing on capital markets, thus supplementing its limited resource base to support recipient countries that can access non-concessional resources. Similarly, recent efforts to increase supplementary financing through its new partnership strategy are yielding results. The recent engagement with the private sector is necessary for IFAD to respond to the scale of global challenges and organisational ambition. In addition to providing access to capital, the private sector holds promise in other areas such as technology transfer, access to markets and de-risking investments. However, this approach is not without risk. While IFAD has developed a robust risk management framework, it is important to manage potential financial and programme delivery risks. This includes a risk that, to preserve its credit rating, IFAD may experience pressures to mitigate financial and programme delivery risks linked to its focus on the rural poor and its work in the poorest countries. Learning from other IFIs, IFAD should enhance its institutional capacity, especially in terms of skills. Taking cautious steps, including working with other IFIs that have long experience with the private sector, is crucial for achieving positive results that are aligned with IFAD's mandate.

Concentrating on building climate resilience of small-scale producers and working in fragile contexts: Over the past five years, IFAD has adjusted its operational model to respond to pressing global and local emerging challenges. The organisation's response encompasses addressing the consequences of climate change, including droughts, floods, saltwater intrusion, emerging pest challenges, wildfires, soil and forest degradation, and water scarcity. Since IFAD11, all new Country Strategic Opportunities Programmes (COSOPs) mainstream climate by analysing the nationally determined contributions. This analysis helps ensure that IFAD's climate investments are aligned with national climate finance targets. COSOPs, guidelines and checklists help screen all projects for environmental and climate risks as part of IFAD's safeguard procedures. IFAD seeks to deliver tailored fragility-sensitive engagement to enhance the resilience and effectiveness of operations in the most fragile contexts. As part of the IFAD12 replenishment, IFAD committed to allocating a quarter of its core resources to fragile states. In IFAD13, IFAD will allocate at least 30% of its core resources to FCAS. IFAD's focus on FCAS is especially important given their high levels of poverty, malnutrition and hunger and IFAD's unique attention to inclusive rural development. Given that climate resilient agriculture and FCAS is a core part of its mandate, IFAD would do well to continue to increase strategic partnerships and its country presence to maximise impact in these two areas within IFAD13.

Further strengthening its approach to sexual misconduct: Over the past five years, IFAD has made progress in its work to protect beneficiaries and host communities from sexual abuse and exploitation. This work has built on IFAD's strong track record in tackling gender-based violence and meeting the needs of poor rural communities. IFAD's first policy to prevent and respond to sexual harassment and sexual exploitation and abuse in 2018 marked

an important milestone. The risk of sexual abuse and exploitation by partners is mostly managed through financing and procurement instruments that are applied to governments that IFAD provides loans or grants to, which integrate provisions derived from IFAD's policy on sexual misconduct. It is also managed through the SECAP. In IFAD's business model, the main risk of sexual exploitation and abuse lies in projects that are overseen by recipients of loans or grants (typically governments) and delivered by implementing partners who are in direct contact with host populations. These relationships are managed by the governments that IFAD funds. Although the organisation has strong requirements and clear sanctions for non-compliance, there are opportunities for IFAD to do more to assess the capacity of its partners and seek further assurances that they are upholding IFAD's financial, procurement and risk-related procedures regarding sexual abuse and exploitation.. The revision of IFAD's policy will be an opportunity to strengthen and clarify lines of accountability.

Fine-tuning its business model: To support the successful implementation of IFAD13, the following interconnected organisational processes and systems could be further strengthened to improve efficiency and effectiveness:

- *Strategic budget allocation:* From 2018 to 2022, IFAD saw its budget allocation to country programme delivery decline from 52% to 47%. Part of this decline was due to travel restrictions during the COVID-19 pandemic. In 2023, IFAD reversed this decline by allocating 55% of its funds to country programme delivery, and IFAD13 includes commitments to further increase funding to country programme delivery. The impact of these declines is difficult to understand given significant changes in the global environment, notably the COVID-19 pandemic and some organisational restructuring and change. There are opportunities for IFAD to better understand staff costs to improve the allocation of resources, understand cost classifications and improve organisational efficiency.
- *Workplace culture, well-being and resourcing:* In recent years, IFAD has faced challenges in human resource management. The accelerated pace and human resources policy on decentralisation of staff posts, resource constraints and related staff departures are some of the factors that may have contributed to declining staff morale, dissatisfaction with the management of human resources and a perception of inefficiencies in processes. IFAD's management team and the Human Resource Department are leading an exercise to deal expeditiously with staff vacancies and address other sources of staff well-being and morale issues. In parallel, IFAD would do well to support decentralisation by filling any in-country office vacancies, which would help support decentralised staff in implementing the delegation of authority. Experience from other IFIs that have undertaken decentralisation activities shows that it delivers impact and efficiencies but is a time-consuming process and that benefits are derived as the process matures.
- *Growing strategic partnerships:* The implementation of IFAD's new partnership strategy has yielded positive outcomes, particularly with respect to resource mobilisation. IFAD has successfully mobilised supplementary funding and leveraged additional partnerships to support the achievement of key targets set in its results framework. Partnerships with its peer Rome-based agency, FAO, have improved since 2018. As IFAD moves forward, the cultivation and expansion of strategic partnerships, especially with multilateral development banks, will continue to play a crucial role in realising its ambitions, particularly in relation to increasing mandates and ambitious goals. Given the organisation's size and capacity limitations, strategic considerations at the country level will play a pivotal role in determining the scope and scale of these collaborative efforts.
- *Project efficiency:* Though IFAD's project relevance was assessed as highly satisfactory and effectiveness was assessed as satisfactory, project efficiency (the relationship between project benefits and costs) is identified as an area for improvement. IFAD has an action plan to deal with this ongoing problem, but progress over the past five years has been limited and below its own targets and baseline. This partly reflects the hard-to-reach target groups and challenging context in which IFAD works, but IFAD would benefit from engaging in additional work to further strengthen project efficiency such as increasing the capacity of partner governments.

An overview of IFAD's performance against key areas of the MOPAN Framework is provided in Figure 1. Comparison to other assessed organisations and previous assessments by MOPAN is strongly discouraged due to changes in methodology over time and differences in the scale, operating context and comparative advantage of different organisations.

Box 2. Main strengths and areas for improvement

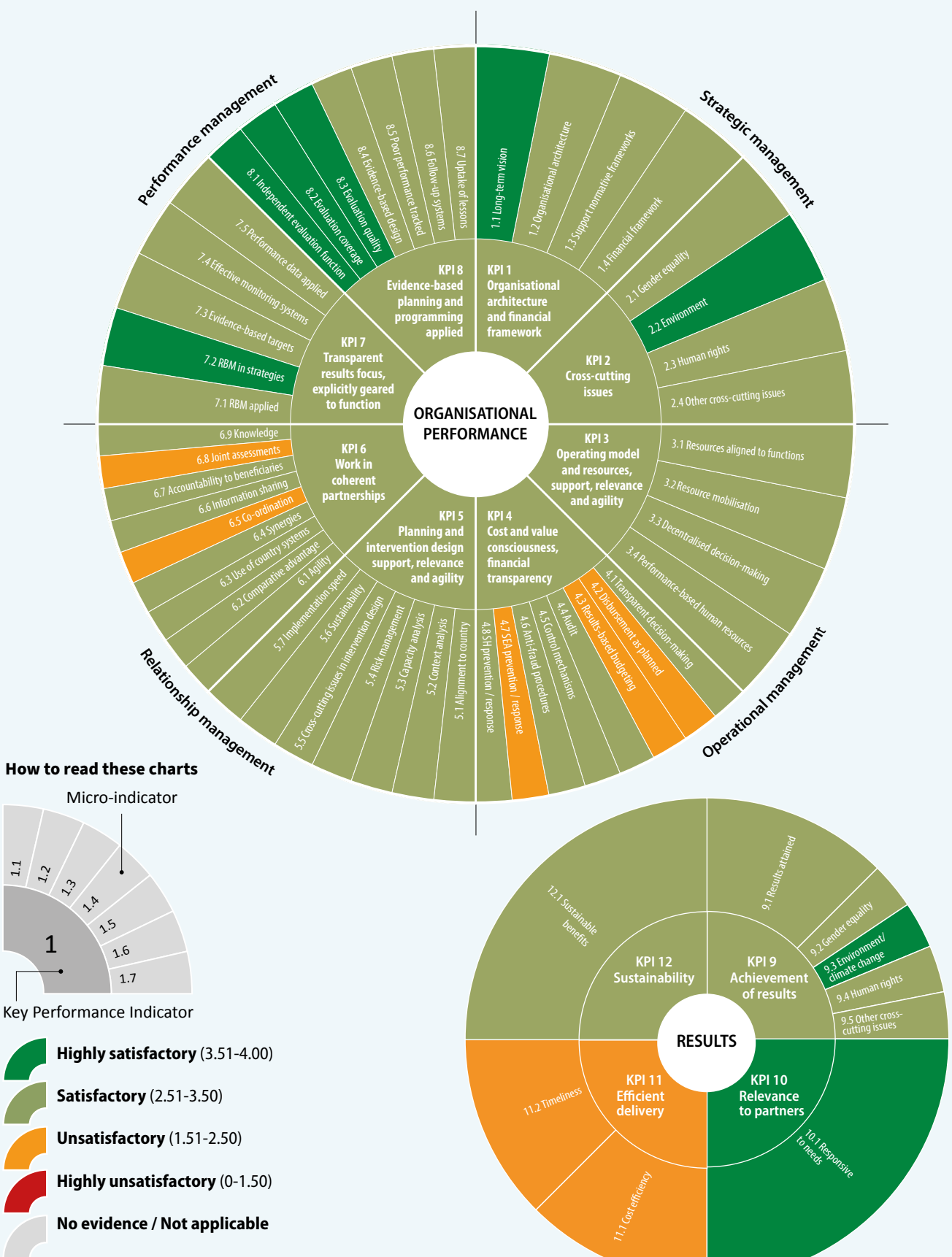
Main Strengths

- IFAD has a clear mandate and well-articulated strategic framework which address the issues of food security and agricultural production in the poorest countries and the poorest regions of countries. Over the last five years, IFAD has increasingly focused on supporting farmers in fragile situations, people with disabilities, indigenous communities, youth and those suffering from disasters in rural areas.
- The business model is focused on this mandate, and IFAD has responded appropriately and quickly to changes in the external environment including COVID-19 and climate change.
- IFAD uses effective consultative processes to develop its country strategies, project designs and conduct project supervision.
- IFAD has been responsive in allocating its resources transparently and, in accordance with analysis of global needs, its mandate and the directions of its Member States.
- IFAD's Independent Office of Evaluation produces high-quality evaluations of operational work, country strategies, and on issues of special interest to IFAD and its management.

Areas for Development

- Improving disbursement rates and minimising implementation delays to improve project efficiency.
- Increasing budget allocation to critical activities such as project design, Country Strategic Opportunities Programmes (COSOP) formulation and project supervision and reflecting on the value of a system to better understand staff costs to improve organisational efficiency.
- Increasing selectivity within programmes, strategic partnerships (including joint monitoring and evaluation), and organisational decision making in accordance with IFAD's mandate, comparative advantage and available resources.
- Strengthening activities to improve staff well-being and respond to findings from the staff survey and initial feedback on the decentralisation process.
- Strengthening IFAD's policy on protection from sexual exploitation and abuse and its implementation; ensuring it is victim-centred and clarifies lines of accountability.

FIGURE 1: IFAD'S PERFORMANCE RATING SUMMARY





BACKGROUND TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT





Kiribati – Pacific Islands Rural and Agriculture Stimulus Facility (PIRAS) – December 2023. Tokataake Bakaea (left), Jaré Katokauea (left) and Iotebwa Otea (right) carefully pack edible long bottle gourds harvested from the garden of the Live & Learn- and IFAD (PIRAS)-supported Tungaru Youth Agriculture Association in Temwaiku, Tarawa. Photo: IFAD/Marco Salustro

INTRODUCING IFAD

Mission and mandate

The International Fund for Agricultural Development (IFAD) was founded in 1977 after the first World Food Conference (WFC), in 1974. The WFC was held in response to several food crises in the early 1970s, in which leaders recognised that food insecurity and famine were caused by both failures in food production and the broader structural problems relating to rural poverty. The conference also recognised that at the time most of the developing world lived in rural areas. Latest data from IFAD continue to show a large proportion of the global population – around 45% – live in rural areas of developing countries. Since its founding, IFAD’s core priority has been to reduce poverty and food insecurity in rural areas through agriculture and rural development.

IFAD focuses on supporting the most disadvantaged and marginalised farmers by providing resources to those with the highest levels of need. This is through work at three levels:

1. At the global level, IFAD allocates resources to countries in lower-middle-income groups, disadvantaged regions and countries in fragile situations.
2. At the country level, IFAD channels resources to the disadvantaged regions and most vulnerable socio-economic groups through a COSOP (Country Strategic Opportunities Programme), which is a framework for making strategic choices about operations within a country.
3. At the project level, IFAD targets the poorest and most excluded within the project area.

In IFAD13 all core resources will be devoted to meeting the needs of the poorest countries – low-income countries (LICs) and lower-middle-income countries (LMICs) – that face the greatest challenges in achieving the Sustainable Development Goals (SDGs).

In accordance with IFAD’s Targeting Policy and the Country Strategic Opportunities Programmes (COSOP) Guidance, each COSOP recognises the diversity of rural poverty and identifies target groups in terms of geographic location; economic livelihoods and available opportunities; and the level and nature of poverty and vulnerability, as well as the factors shaping poverty. Each COSOP aims to address gender equality and women’s empowerment (GEWE) and employment creation for rural youth. Indigenous peoples and/or people with disabilities may be a particular focus of IFAD support in some countries. IFAD’s multi-dimensional definition of rural poverty and contextualised approach to supporting the most disadvantaged and marginalised farmers enable the organisation to reach hard-to-reach beneficiary groups. IFAD aims to transform rural economies and food systems by making them more inclusive, productive, resilient and sustainable. The Fund operates in five regions: Asia and the Pacific (APR); East and Southern Africa (ESA); Latin American and the Caribbean (LAC); Near East and North Africa (NEN); and West and Central Africa (WCA). In the last fiscal year, IFAD’s global portfolio of ongoing projects totalled USD 7.98 billion (including co-financing).

IFAD’s Strategic Framework 2016-2025, its fifth, approved by the Executive Board in 2016, lays out three interlinked strategic objectives to support its mandate and contribute to the 2030 Agenda for Sustainable Development: (i) increase poor rural people’s productive capacities; (ii) increase poor rural people’s benefits from market participation;

IFAD AT A GLANCE

Established: 1977

Member Countries: 178

Headquarters: Rome

Operations in: 93 countries
5 regions

Regional offices: 2

Multi-country offices: 12

Staff: 808 full-time

IFAD12 Replenishment:
USD 1.28 billion

Active portfolio:
USD 7.98 billion

FY22 Admin budget:
USD 166.9 million

and (iii) strengthen the environmental sustainability and climate resilience of poor rural people's economic activities. IFAD's work adheres to five principles of engagement: targeting; empowerment; gender equality; innovation; learning and scaling up; and partnerships (IFAD, 2016a). The Strategic Framework makes it clear that policy engagement is one of the four pillars supporting the achievement of IFAD's development results in its country programme delivery and that, in IFAD's business model, partnerships and policy engagement with governments are the basis for the formulation and country ownership of IFAD-supported programmes (IFAD, 2017).

IFAD's Strategy and Action Plan on Environment and Climate Change 2019-2025 helps implement the third objective of the strategic framework. In particular, the action plan focuses on the mobilisation and deployment of resources to mitigate and adapt to environmental challenges and climate change. To support these goals, the plan seeks to better equip staff and partners with tools and lessons learned to better integrate and design projects that incorporate climate change (IFAD, 2018). IFAD has a strategy and action plan to support gender equality and gender transformative approaches, as well as action plans to work in inclusive and empowering ways with indigenous peoples and rural youth. It has recently updated its strategy to engage more effectively with capital markets and raise additional funds to enable the organisation to have greater resources to realise its vision to transform rural economies and food systems.

Governance arrangements

IFAD is governed by an Executive Board and a Governing Council. The Executive Board is responsible for deciding on the programme of work; approving projects, programmes, and grants; and adopting or recommending (to the Governing Council) action on matters related to policy, the annual administrative budget, applications for membership and staffing within the Fund (IFAD, n.d.a). The Executive Board meets three times each year. In addition, the Board has an Audit Committee and an Evaluation Committee. Each committee is composed of nine member states from the Board: four members from List A, two from List B and three from List C (IFAD, n.d.b and c). The Audit Committee deals with audit-related matters on an ad hoc basis. The Evaluation Committee performs in-depth reviews of selected evaluation issues and the Independent Office of Evaluation's (IOE) strategies and methodologies.

List A member states are contributing developed countries. List B member states are contributing members, primarily from the Organisation of the Petroleum Exporting Countries (OPEC), and List C consists of developing countries that are eligible for IFAD loans and grants. Importantly, List C countries are broken down into three sub-lists by their region: Africa, Asia and the Pacific; Europe; and Latin America and the Caribbean. Like Board members, committee members serve three-year terms.

The Governing Council is the main decision-making body and takes decisions on issues such as approval of new membership; appointment of the President of IFAD; matters relating to the permanent seat of the Fund; approval of the administrative budget; and adoption of broad policies, criteria and regulations. The Governing Council also determines membership of the Board. Members of the Board serve three-year terms and represent not only their country but other countries in their List (IFAD, n.d.d).

The Governing Council includes all of IFAD's 178 member states. Voting rights of each member country are allocated based on: "(i) paid core contributions; (ii) the grant element of any concessional partner loan; and (iii) the discount or credit generated from early encashment of core contributions... Voting rights are subject to change as Member States complete their payments to IFAD's replenishments or changes take place in the membership of the Fund" (IFAD, 2023a: 3).

The President of IFAD chairs the Board and is responsible for the overall management of the Fund. The President is selected by the Governing Council and can serve up to two four-year terms. The office is currently held by President Lario, who succeeded President Hougbo in October 2022. During his presidency from April 2017 to September 2022, President Hougbo launched several important reform initiatives including supplementing IFAD's regular

replenishment resources through market borrowing, increasing focus on LICs, establishing an enterprise risk management system, leveraging partnerships, especially with international financial institutions (IFIs), and engaging more with the private sector. In addition, President Hougbo accelerated the decentralisation effort in bringing IFAD closer to its clients and beneficiaries. The goal was to improve efficacy and efficiency; deliver a larger programme of work; improve client engagement; strengthen project selection, design and implementation; and improve knowledge management, policy engagement, capacity development and partnerships (IFAD, n.d.a). President Lario and his management team plan to continue these strategic directions, while also addressing several of the issues confronting IFAD regarding its country operations, human resource management and borrowing from capital markets.

Organisational structure

With direction from the Governing Council and Executive Board, the Office of the President and Vice-President provides IFAD's day-to-day leadership. IFAD operations are spread across five departments each overseen by an Associate Vice-President (AVP): (i) External Relations and Governance; (ii) Financial Operations; (iii) Programme Management; (iv) Strategy and Knowledge; and (v) Corporate Services. These departments are further divided into divisions and offices. IOE is not part of this structure and reports directly to the Board on substantive matters.

In addition to its headquarters in Rome, IFAD has 2 regional offices and 12 multi-country offices. IFAD has 808 staff, with approximately 67% based at headquarters with the rest in regional hubs and in-country offices. As part of decentralisation goals, the share of in-field staff is planned to increase to 45% in 50 in-country offices by 2024 (IFAD, 2022a).



Uganda – National Oil Palm Project (NOPP) – September 2023.

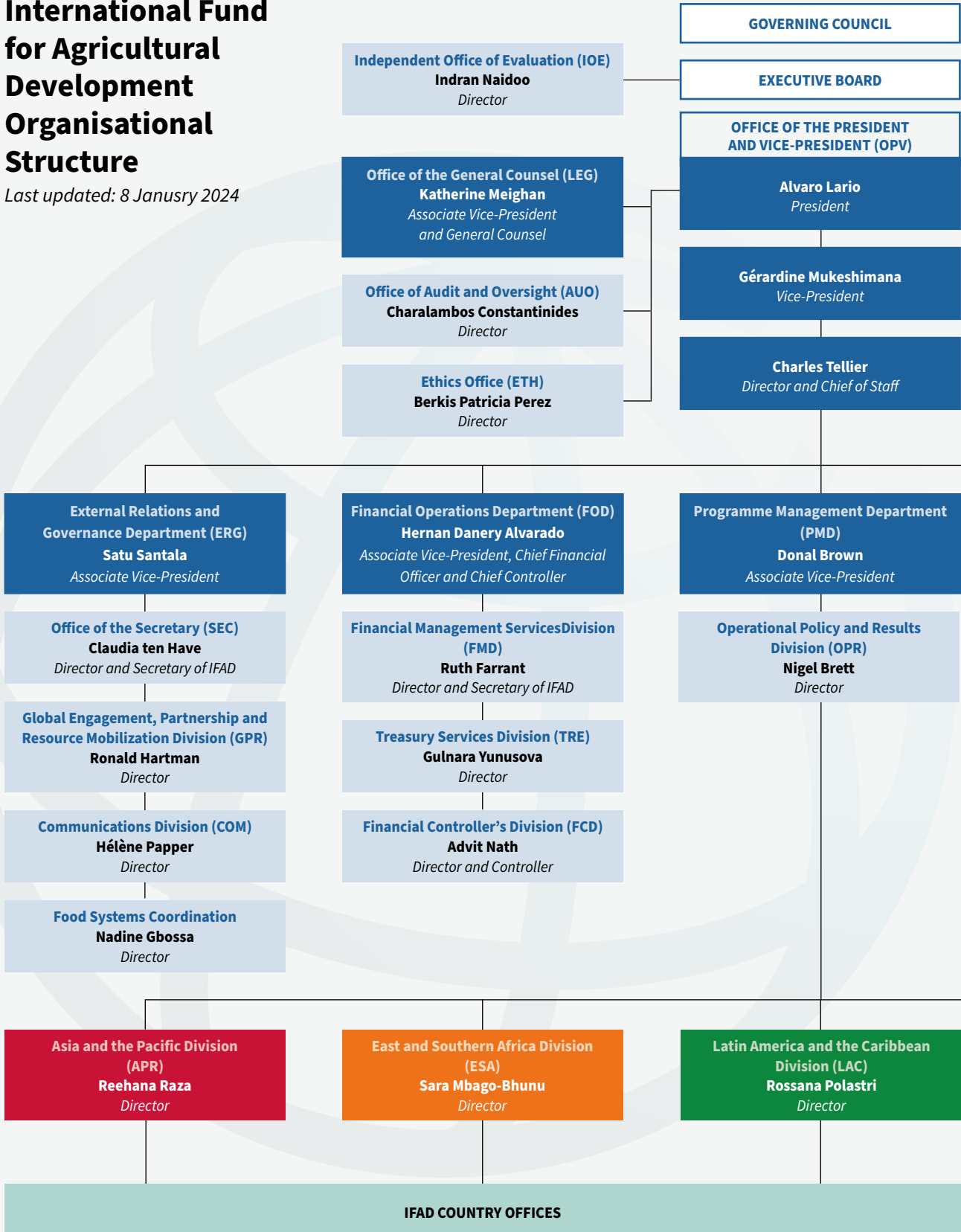
The main objective of NOPP is to support inclusive rural transformation through investments in the oil palm industry that improve rural livelihoods while safeguarding the environment. The project also supports people like Rose Nakiganda, a 42-year-old mother of four, with alternative income generation. She has been able to set-up a vegetable shop.

Photo: © IFAD/
Jjumba Martin

FIGURE 2: IFAD ORGANIGRAM

International Fund for Agricultural Development Organisational Structure

Last updated: 8 January 2024



Source: IFAD, 2023b



IFAD

INTERNATIONAL
FUND FOR
AGRICULTURAL
DEVELOPMENT

Office of Enterprise Risk Management (RMO)
Alberto Cogliati
Associate Vice-President and Chief Risk Officer

Office of Strategic Budgeting (OSB)
Edward Gallagher
Director

Quality Assurance Group (QAG)
Robson Mutandi
Chief, Ad-Interim

Strategy and Knowledge Department (SKD)
Jyotsna Puri
Associate Vice-President

Research and Impact Assessment Division (RIA)
Sara Savastano
Director

Environment, Climate, Gender and Social Inclusion Division (ECG)
Juan Carlos Mendoza
Director

Sustainable Production, Markets and Institutions Division (PMI)
Thouraya Triki
Director

Corporate Services Department (CSD)
Guoqi Wu
Associate Vice-President

Human Resources Division (HRD)
Candida Sansone
Director

Information and Communications Technology Division (ICT)
Thomas Bousios
Director

Administrative Services Division (ADM)
Matthias Meyerhans
Director

Near East, North Africa and Europe Division (NEN)
Dina Saleh
Director

West and Central Africa Division (WCA)
Bernard Hien
Director

IFAD COUNTRY OFFICES

Finances and operations

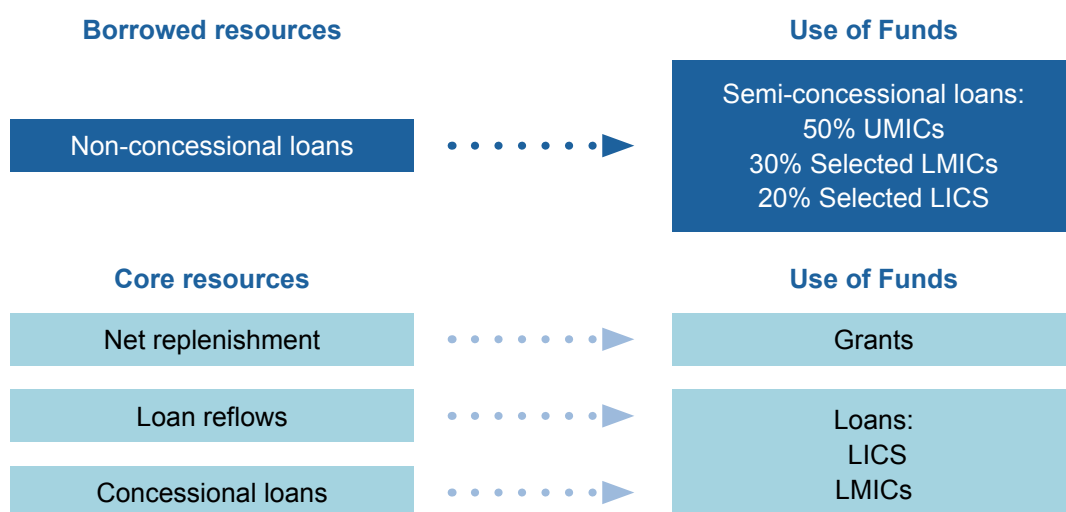
Financial resources and financial models

At 31 December 2022, IFAD has active projects in 93 countries. IFAD provides finance to developing member states through loans, grants and a Debt Sustainability Framework (DSF) which is a conceptual framework for providing grant resources to eligible countries. IFAD recently began providing direct financing to the private sector through a trust fund. The approved instruments include equity, debt and risk mitigation (both risk sharing and guarantees), although IFAD has been mainly offering debt given the gradual approach followed to build private-sector activities. The loans and grants for programmes support economic growth, reduce inequalities and improve living conditions for rural people. IFAD allocates these resources through a Performance-Based Allocation System (PBAS) approved by the Board. Similarly, loan terms and eligibility to receive grants for developing member states are determined at every replenishment cycle and may be reviewed annually by the Board. The Fund also supports a Debt Sustainability Mechanism (DSM) to help low-income countries restore or maintain their external debt sustainability. These instruments are funded by contributions from member countries. Under IFAD12, funds mobilised through bonds aim to support lending to upper-middle-income countries (UMICs), LMICs and LICs, as shown in Figure 3 (IFAD, 2021a). These resources will be allocated through the Borrowed Resource Access Mechanism (BRAM); IFAD’s core resources will be allocated to LICs and LMICs. While the introduction of non-sovereign borrowing will add to IFAD’s resources, IFAD remains largely dependent on contributions from member states.

IFAD offers borrowing countries either highly concessional loans, ordinary loans or loans on blended terms. Member states with gross national income (GNI) per capita less than the threshold set by the International Development Association (IDA), or classified by IDA as small state economies, are eligible for highly concessional loans (IFAD, 2021b). Member states with GNIs higher than the IDA threshold but that are not gap countries or blend countries defined by IDA are also eligible for highly concessional terms (IFAD, n.d.e). Member states determined by IDA to be gap countries or blend countries are eligible for IFAD’s blended lending terms. All other countries are eligible for ordinary terms.

DSF is a conceptual framework for providing grant resources to countries eligible for highly concessional loans experiencing debt distress. Depending on the countries’ level of debt distress and capacity to absorb shock, their allocations of PBAS will be in the form of grants or a combination of a loan on highly concessional terms and grants (IFAD, n.d.e).

FIGURE 3. IFAD RESOURCES AND USE OF FUNDS



Private-sector financing is designed to “mobilise private funding and investments into rural micro, small and medium-sized enterprises (MSMEs), small-scale agriculture and expand markets, and increase income and job opportunities for IFAD’s target groups” (IFAD, 2020a: iii). Private-sector financing is a new endeavour with few operations at the present time. In common with IFAD member state financing, private-sector financing through the Private Sector Financing Programme (PSFP) prioritises youth employment, women’s empowerment, environmental sustainability and climate resilience of small-scale farmers and producers and poor rural communities.

IFAD’s allocation of resources reflects its goal to “work where poverty and hunger are deepest: in the most remote regions of developing countries and fragile situations, where few development agencies venture” (IFAD, n.d.f). This focus continued from IFAD11 to IFAD12 (Table 2). Like other IFIs and development institutions, IFAD is also increasingly allocating its resources to sub-Saharan Africa, which includes two IFAD regions – WCA and ESA.

TABLE 2. IFAD11 AND IFAD12 ALLOCATION OF RESOURCES (USD MILLION)

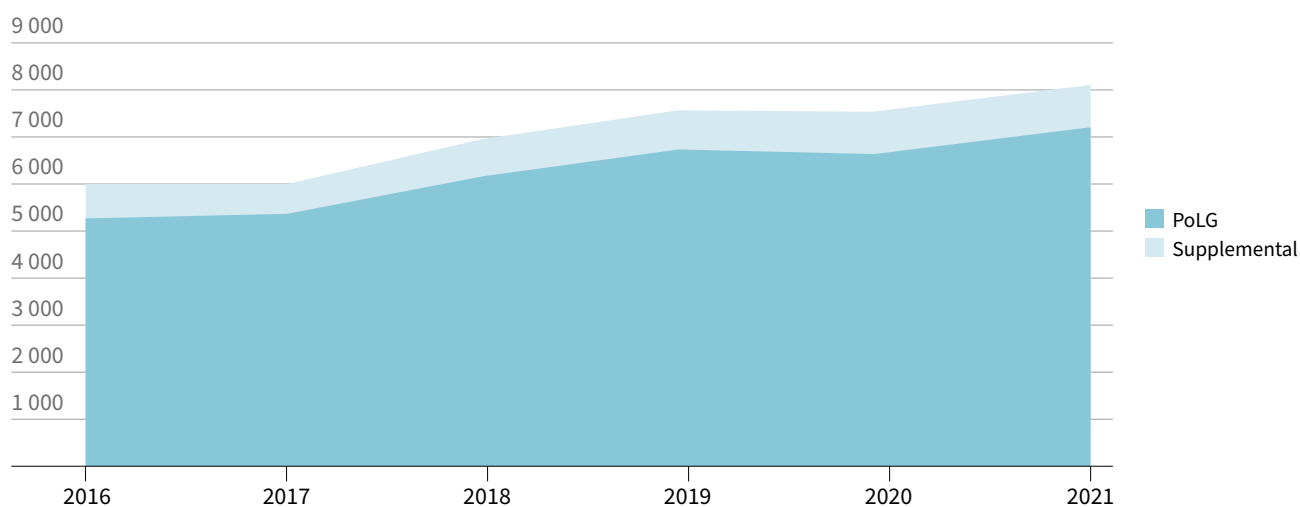
IFAD12 financial offer distribution after capping and redistributing Performance-Based Allocation System (PBAS) and Borrowed Resources Access Mechanisms (BRAM) resources.

	IFAD11		IFAD12			
Commitments against core resources						
Region	Core resources	Per cent	Core resources	Per cent		
Africa (>=’55%’ commitment)	1 799	62.1%	1 519	66.5%		
Sub-Saharan Africa (>=’50%’ commitment)	1 700	58.7%	1 421	62.2%		
Countries with fragile situations (>=’25%’ commitment)	726	25.1%	788	34.5%		
Resources distribution by income category	Total		Core		Total	
Income category	Resources	Per cent	Resources	Per cent	Resources	Per cent
LICs	1 538	46.3%	971	42.5%	1 052	31.2%
LMICs	1 390	41.8%	1 314	57.5%	1 812	53.7%
UMICs	397	11.9%	–	0.0%	512	15.2%
Total	3 325	100%	2 285	100%	3 376	100%

Source: IFAD, 2022b

Replenishments constitute most of IFAD’s resources. However, as IFAD’s Programme of Loan and Grants (PoLG) has increased, IFAD has seen an increase in supplementary funding (Figure 4). Supplementary funds are resources received and administered by IFAD. Supplementary funding increased by 20% from USD 737 million in 2016 to USD 883 million in 2021. In comparison, IFAD’s active portfolio grew by about 35% from USD 6 billion in 2016 to USD 8.1 billion in 2021. In response to the limited prospective growth of official development assistance (ODA) to the agriculture sector, IFAD aimed to mobilise more resources from capital markets during President Hougbo’s tenure.

FIGURE 4. IFAD'S ACTIVE PROJECT PORTFOLIO (USD MILLION)



Note: Programme of Loans and Grants (PoLG)

Source: IFAD, 2022a

Key donors (List A member states) are largely from developed economies except for China, India and Saudi Arabia. In IFAD11 pledges from the top 15 contributors accounted for roughly 88% of total paid contributions (Figure 5). While the largest 15 donors for IFAD12 (Figure 6) is almost the same as IFAD11, the share of the largest 15 contributors has fallen to 79%. This shift is largely due to a rise in borrower contributions. Relative to previous replenishment cycle contributions, IFAD11 and IFAD12 pledges represent a USD 188.6 million, or 17.6%, increase in resources, not including bond issuance (IFAD, 2020b).

In terms of its supplementary portfolio, as of the end of 2020, the European Union is the largest contributor. Other key contributors are climate funds (primarily the Green Climate Fund and to a lesser extent the Global Environment Facility and the Adaptation Fund) and the Global Agriculture and Food Security Program (GAFSP). Overall, international organisations and funds contributed to 71.5% of the supplementary portfolio, followed by member states with 28% and foundations with less than 1% (IFAD, 2021c).

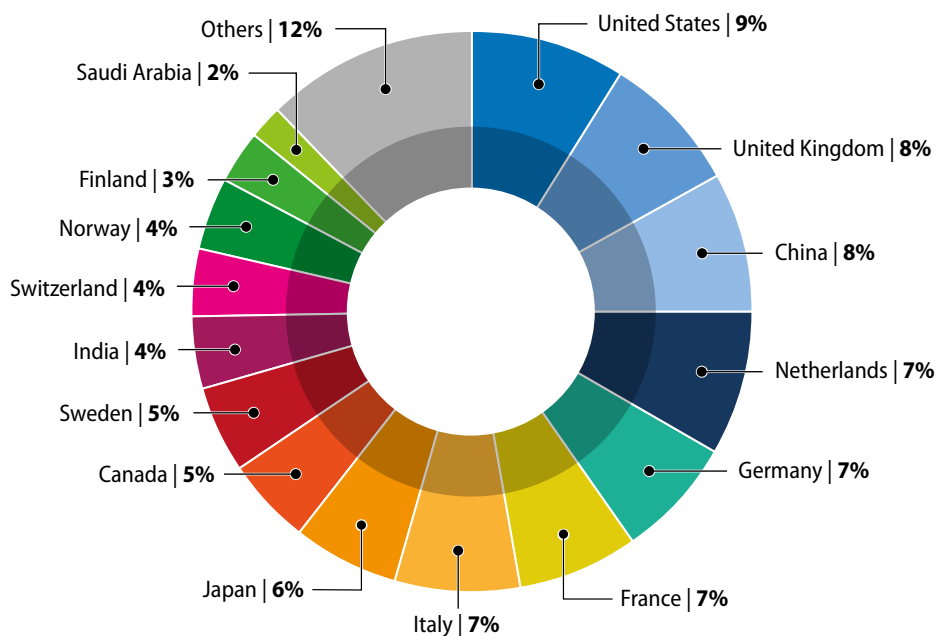
Mauritania – Rural Poor Stimulus Facility (RPSF) – June 2022.

The RPSF provided livestock inputs, veterinary services and technical support and training on production. It also provided information on veterinary services and market information via radio, text messages and other digital platforms.

Photo: © IFAD/
Ibrahima Kebe Diallo

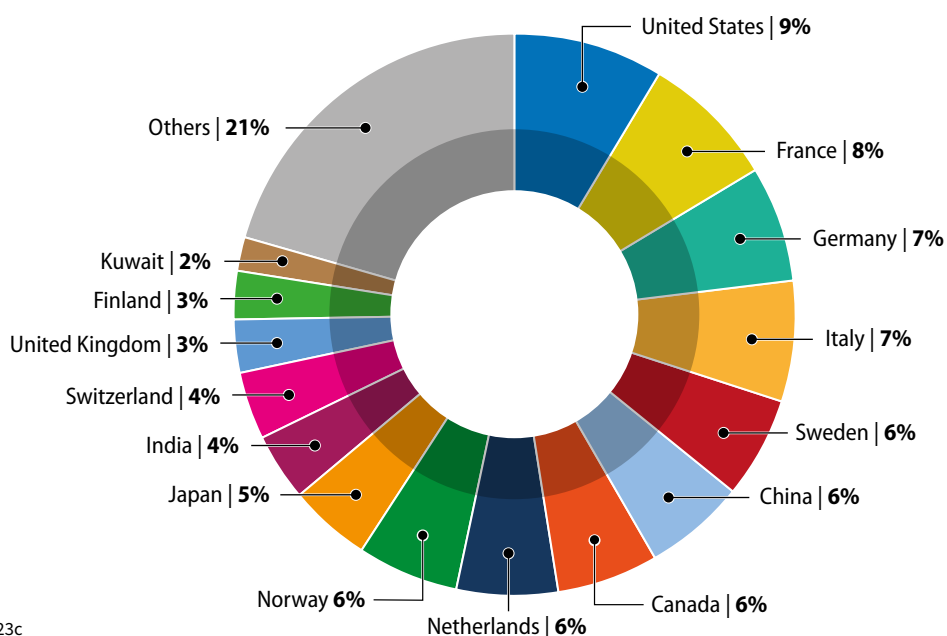


FIGURE 5. TOP 15 IFAD11 PAID CONTRIBUTIONS AS A SHARE OF TOTAL PAID CONTRIBUTIONS



Source: IFAD, 2021b

FIGURE 6. TOP 15 IFAD12 PLEDGES AS A SHARE OF TOTAL PLEDGES



Source: IFAD, 2023c

IFAD has been reporting a net loss on a consolidated basis since 2018 (Table 3). In the five years from 2016 to 2021, revenue fell by 4.3%, from USD 297 million to USD 284 million. During the same period, total expenses rose by about 5.4%, from USD 546 million to USD 576 million, largely due to grant and DSF expenses. Meanwhile, operating expenses, which include salaries, consultant fees, bank and investment expenses, and office expenses, fell slightly from USD 188.4 million in 2018 to USD 183.8 million in 2021. Net losses reported in Table 3 are covered by net contributions shown in Table 4.

TABLE 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (USD thousand)

	2021	2020	2019	2018
Revenue	283 954	205 093	265 754	169 152
Operating expenses	(206 982)	(187 537)	(182 110)	(188 425)
Other expenses	(368 692)	(311 259)	(370 717)	(264 347)
Total expenses	(575 674)	(498 796)	(552 827)	(452 772)
Deficit before fair value and foreign exchange adjustments	(291 720)	(293 703)	(287 073)	(283 620)
Net loss/profit	(457 018)	(27 470)	(353 147)	(434 385)
Other comprehensive income/loss	(187)	(1 887)	(24 558)	7 252
Total comprehensive loss/income	(457 205)	(29 357)	(377 705)	(427 133)

Source: IFAD, 2019a; IFAD, 2021b

TABLE 4. CONSOLIDATED BALANCE SHEET (USD thousand)

Assets	2021	2020	2019	2018
Cash on hand and in banks	702 563	472 298	308 309	190 322
Investments	1 250 126	1 240 847	1 213 170	1 475 798
Share investments at fair value through profit and loss	6 842	8 211	-	-
Net contribution and promissory notes receivables	1 141 744	660 731	890 230	1 100 360
Other receivables	15 477	27 320	40 022	34 671
Fixed and intangible assets	13 121	14 935	15 562	15 379
Right-of-use assets	83 262	98 086	98 611	-
Net loans outstanding	7 110 343	7 027 744	6 480 834	6 168 409
Total assets	10 323 478	9 550 172	9 046 738	8 984 939
Liabilities and equity	2021	2020	2019	2018
Total liabilities	2 907 404	2 600 841	2 175 451	1 889 292
Total contributions	10 091 001	9 167 053	9 060 881	8 913 524
Total retained earnings	(2 674 927)	(2 217 722)	(2 189 594)	(1 817 877)
Total equity	7 416 074	6 949 331	6 871 287	7 095 647

Source: IFAD Audited Consolidated Financial Statements for FY 2021 and 2019, IFAD 2019a; IFAD 2021a

Project cycle

IFAD does not directly implement the projects it finances but is actively involved in designing, supporting and supervising projects. Project designs are guided by individual COSOPs or Country Strategy Notes (CSN) which identify opportunities for IFAD financing. The steps of the project cycle are outlined below.

- i. **Concept:** A project concept is based on the COSOP's priorities and opportunities. A concept note is prepared for each project along with a proposed safeguard categorisation.
- ii. **Design:** Once the concept note is approved, a Project Design Report (PDR) is prepared. This report may also contain additional preparatory plans or assessments and describe additional consultations with stakeholders.
- iii. **Review:** After the PDR is developed and relevant management plans or assessments and consultations are completed, the project undergoes an internal quality review.
- iv. **Loan negotiation:** Following revisions based on feedback from the internal review, IFAD starts negotiations on a financing agreement with borrowers.
- v. **Board approval:** Following the negotiation of the financing agreement between IFAD and the borrower, the project goes to IFAD's Executive Board for review and approval.
- vi. **Supervision and Implementation:** Subject to the approval of the project, national project management units begin to recruit staff and undertake project implementation. IFAD supervises and provides implementation support. This is done largely by staff based in in-country offices (almost 75% of all projects are supervised by in-country offices) (IFAD, 2021c).
- vii. **Evaluation:** At the end of a project's funding period, a Project Completion Report (PCR) is prepared either by IFAD or the borrower under IFAD's guidance. PCRs are validated by IFAD's Office of Evaluation.

This process is designed to ensure the quality of projects.



Sierra Leone – Rural Poor Stimulus Facility (RPSF) implemented through the Agriculture Value Chain Development Project (AVDP) – June 2022.

"When the RPSF came to us, my first thought was, 'How am I going to do farming?' Now, I am so happy to have a livelihood that allows me to make money instead of begging in the street."

Photo: © IFAD/
Jjumba Martin

Scope of operations

The Fund works across five regions and utilises loans and grants to achieve its goals. More specifically, IFAD offers four types of loans with varying levels of concessionality largely tied to the country's level of economic development. Eligibility to receive financing from IFAD is based on “country performance (the broad policy framework, rural development policy and portfolio performance), and need, (population and per capita gross national income-GNI)” (IFAD, n.d.f).

The largest region in terms of the number of projects and portfolio value is APR, followed by ESA, WCA, NEN, and LAC (Table 5). The share of the number of ongoing projects by region follows a similar order with the exception of LAC which has a relatively higher number of projects but a smaller regional portfolio value. The size of the overall portfolio of ongoing projects has grown by 9.6% from USD 7.05 billion in FY18 to USD 7.73 billion in FY21 (IFAD, 2021d).

TABLE 5. ONGOING GLOBAL PORTFOLIO BY IFAD REGION, 2021

Region	Total value of ongoing portfolio (USD million)	Share of total value of ongoing portfolio (%)	Total number of ongoing projects	Share of ongoing projects (%)
Asia and the Pacific (APR)	2,561	33.1	53	25.6
East and Southern Africa (ESA)	1,892	24.5	46	22.2
West and Central Africa (WCA)	1,865	24.1	49	23.7
Latin America and the Caribbean (LAC)	488	6.3	27	13
Near East and North Africa (NEN)	9221.9	11.9	32	15.5

Source: IFAD, 2021d

IFAD provides financing to developing member states, utilising a range of mechanisms including loans, grants and the DSF. The allocation of resources to borrowing and grant recipient nations is governed by the Performance-Based Allocation System (PBAS), which is approved by the Board. The terms of loans and the eligibility for grants in developing member states are determined periodically during replenishment cycles and are subject to annual review by the Board.

IFAD extends borrowing countries highly concessional loans, ordinary loans or loans on blended terms. Member states with a GNI per capita falling below the threshold set by the International Development Association (IDA), or those classified by IDA as small state economies, qualify for highly concessional loans (IFAD, 2021b). Member states with a GNI exceeding the IDA threshold but not categorised as gap countries or blend countries by IDA also have access to highly concessional terms (IFAD, n.d.e). Member states identified by IDA as gap countries or blend countries are eligible for IFAD's blended lending terms. All other countries are entitled to ordinary terms.

The DSF is a conceptual framework aimed at offering grant resources to countries eligible for highly concessional loans that are facing debt distress. The allocation of PBAS resources to these countries takes the form of either grants or a combination of a loan with highly concessional terms and grants, depending on the level of debt distress and the country's capacity to absorb economic shocks (IFAD, n.d.e).

In terms of private-sector financing, IFAD's focus is on mobilising private funds and investments into rural MSMEs, as well as small-scale agriculture. The goal is to expand markets, increase income, and generate job opportunities for



Nigeria – Value Chain Development Programme (VCDP II) Phase II - November 2023

Cynthia Edeze looks on as employees in the cassava processing facility that she recently established as a part of her integrated Green Tech Farms process garri from cassava root grown on the farm, Ndieze community in Ebonyi State, southeastern Nigeria.

Photo: © IFAD/
Andrew Esiebo

IFAD's target groups (IFAD, n.d.e). Private-sector financing is a relatively new initiative, and while it holds promise, only limited operations have been executed up to this point. Similar to the financing provided to IFAD member states, the PSFP within IFAD's framework prioritises objectives such as youth employment, women's empowerment, environmental sustainability, and the climate resilience of small-scale farmers, producers, and impoverished rural communities (IFAD, 2020a).

This assessment provides a comprehensive review of all the IFAD operations described in Chapter 1. However, it is important to acknowledge that since non-sovereign operations have only been recently introduced, it is premature to assess outcomes in this area. Given this context, the assessment primarily focuses on the practicality and viability of IFAD's private-sector strategy.

Partnerships

IFAD relies on a series of partnerships to co-finance and otherwise deepen its contribution to rural development. Partners include companies, farmer organisations, non-governmental organisations, governments, foundations, multilateral organisations, Rome-based agencies (RBAs), other UN agencies, and research and academic institutions. These partnerships help amplify IFAD's impact by pooling investments, scaling up, sharing knowledge and leveraging experiences. The assessment will reflect on key partnerships for IFAD, including the RBAs, co-financing partners such as the African Development Bank (AfDB), the World Bank and climate funds especially given their critical role in increasing IFAD's programme of work. Around 39% of IFAD's total portfolio in 2021 was comprised of trust and supplementary funds. Both types of funds help deliver additional resources to targeted issues, such as IFAD's COVID-19 Rural Poor Stimulus Facility (RPSF) and are thus a focus for this assessment.

Budget

From 2018 to 2021, IFAD's regular administrative budget experienced zero real growth. However, there was a notable increase in the 2022 regular budget, which reached USD 166.9 million, marking a rise from the USD 159.4 million recorded in 2021. Beyond the regular budget, the capital budget also exhibited growth, rising from USD 4.4 million in 2020 to USD 6.5 million in 2022.



Tajikistan –
Community-based
Agricultural Support
Project (CASP)

– May 2022

Since 2018, CASP has provided benefits to more than 51,000 households in 177 rural villages in Khatlon Oblast, Soghd and Republican Subordination Regions.

Marufa and Davlater collect honey two times each year, which they sell to their neighbors, at the local markets and sometimes also to wholesalers for 60 somoni per kilogram.

Photo: © IFAD/
Bob Baber

Considering growth limitations observed in its replenishments, IFAD has turned its attention to the private sector as a means of increasing funds to enhance its impact. Collaborating with the private sector allows IFAD to tap into external financing sources, alleviating the financial burden on IFAD's core funding.

IFAD's organisational efficiency, which is the share of its regular budget in relation to the programme of work, is a key consideration. For the IFAD11 cycle, an efficiency ratio of 4% is anticipated. This ratio is projected to double to 8% based on 2022 forecasts. The rise in costs, for the most part, is attributed to factors such as decentralisation and operational adjustments prompted by the post-COVID-19 landscape (IFAD, 2022a). Notably, the increase in staff costs is attributed to the implementation of outcomes stemming from the 2019 human resource study, organisational restructuring and staff promotions.

The 2022 regular budget was broken down into four results pillars (Table 7). The breakdown of the budget shows that about 47% of the regular budget is spent on country programme delivery. The breakdown differs slightly from 2021, with Pillar 1 showing a decrease of 2.1% and Pillar 2 an increase of 1.6%, with no changes for the other two pillars. The differences are attributed to an increase in IFAD's engagement in global events and advocacy activities (IFAD, 2022a). The country programme delivery costs as a proportion of total costs is expected to increase to 55% in 2023 and 57% in 2024.

Risk management

IFAD undertook a comprehensive revision of its Enterprise Risk Management (ERM) Policy during the assessment period. This was driven by shifts in the risk landscape prompted by recent reforms including decentralisation and engagement with the private sector. Figure 7 shows IFAD's new ERM policy framework which was designed to manage existing and emerging risks.

TABLE 6. EFFICIENCY RATIOS (USD million)

	IFAD 10	2019	2020	2021	IFAD11	2022	Projected 2013
PoLG	3 168	1 660	878	1 051	3 589	884	991
Other IFAD-managed funds	419	262	93	336	691	241	383
Subtotal	3 587	1 992	971	1 387	4 289	11 258	1 318
Co-financing	2 402	3 231	1 041	2 012	6 284	959	2 398
Total programme of work	5 989	5 153	2 012	3 399	10 573	2 085	3 716
Regular budget	450	150.57	142.74	151.95	445.26	162.53	171.72
Costs to support supplementary funds activities	16.1	4.7	4.7	4.7	14.1	6.8	8.3
Total costs	466.3	155.3	147.4	156.7	459.4	169.3	180.0
Efficiency ratio 1: Total costs/PoLG including other IFAD-managed funds	13%	8%	15%	11%	11%	15%	14%
Efficiency ratio 2: Total costs/programme of work	8%	3%	7%	5%	4%	8%	5%

Note: POLG: Programme of Loans and Grants

Source: IFAD, 2022c; IFAD, 2023c

TABLE 7. REGULAR BUDGET BY RESULTS PILLAR (USD million)

Department	Pillar 1: Country programme delivery	Pillar 2: Knowledge building, dissemination and policy engagement	Pillar 3: Financial capacity and instruments	Pillar 4: Institutional functions, services and governance	Total
Office of the President and Vice-President	0.10	0.22	0.04	2.42	2.79
Corporate Services Support Group	2.14	0.30	0.36	8.90	11.70
External Relations and Governance Department	1.08	6.91	3.73	6.19	17.90
Strategy and Knowledge Department	7.67	9.84	1.26	0.82	19.59
Programme Management Department	55.35	3.56	1.34	1.33	61.58
Financial Operations Department	5.54	–	6.85	0.86	13.25
Corporate Services Department	3.91	1.89	3.45	21.08	30.34
Corporate Cost Centre:	2.41		0.20	7.18	9.78
Subtotal	78.20	22.71	17.23	48.78	166.93
Percentage allocation	46.85	13.60	10.32	29.22	100.00

Source: IFAD, 2022c

Underpinning IFAD's risk management strategy is a risk taxonomy, categorising risks into four distinct domains that encapsulate the key risk areas to which the organisation is exposed:

1. Strategic risk. Risks having impacts on the Fund's ability to achieve its mission, execute its strategies and meet its objectives
2. Financial risk. The risk of financial losses resulting from the Fund's inability to efficiently and economically manage financial resources and satisfy financial commitments
3. Operational risk. The risk resulting from inadequate or failed internal processes, people and systems, or from external events that may result in financial loss or damage to the Fund's reputation
4. Programme delivery risk. Risks to the ability to achieve the expected results in Fund-supported projects, programmes or strategies, and the risk of unintended consequences (IFAD, 2021e).

In addition to these risk domains, IFAD's risk management framework acknowledges the presence of two overarching and interwoven risk categories: reputational and legal risks. These cross-cutting concerns permeate and interact with the four risk domains. Underpinning each of the four risk domains is a set of sub-risks, each underpinned by a distinct set of risk drivers. The monitoring of these risk drivers constitutes an integral facet of IFAD's meticulous risk management process. Together, these categories provide a holistic understanding of the multifaceted risk landscape within which IFAD operates.

In 2021, IFAD completed a comprehensive revision of its Social, Environmental, and Climate Assessment Procedures (SECAP). This work builds on IFAD's 2017 SECAP. The updated SECAP blueprint defines an enhanced framework and a refined protocol for effectively managing risks and repercussions. Additionally, it underscores the importance of mainstreaming cross-cutting themes – youth, GEWE, environmental sustainability, climate change and nutrition – into new interventions facilitated by IFAD. This strategic integration ensures that these critical dimensions are woven into IFAD's new investments, encapsulating a forward-looking and holistic approach to development (IFAD, 2021e).

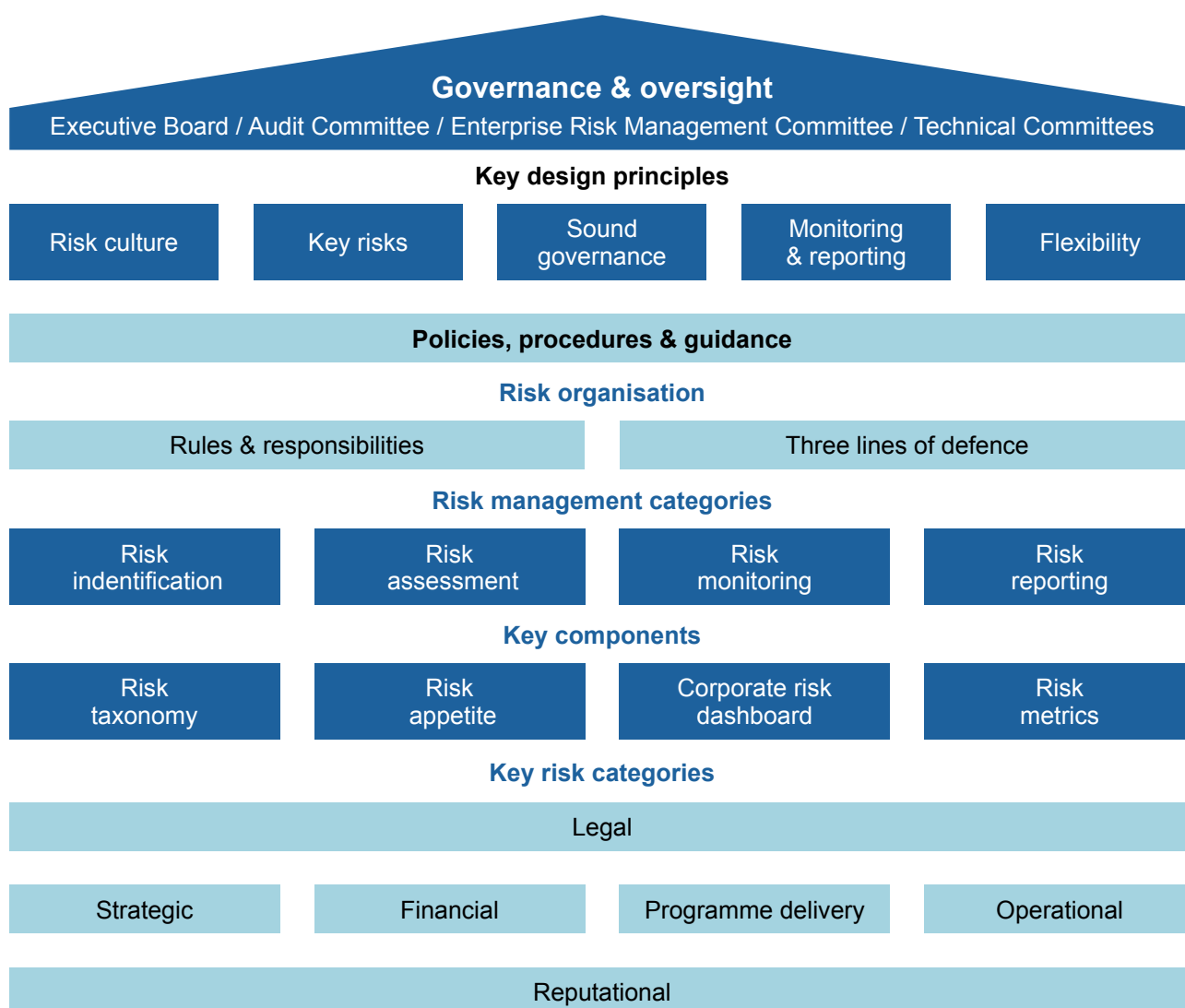
Kenya – Upper Tana Catchment Natural Resource – October 2022.

The target area for the project is the Upper Tana catchment, covering 6 of Kenya's 47 counties. Around 205,000 poor rural households are expected to benefit from the initiative, which features a special focus on women, young people and other vulnerable groups.

Photo: © IFAD/
Samuel Nyaberi



FIGURE 7. IFAD'S ENTERPRISE RISK MANAGEMENT POLICY FRAMEWORK



Source: IFAD, 2021e

Fragile and conflict-affected states

IFAD operates in fragile and conflict-affected states (FCAS) as part of its mandate and commitment to supporting the 2030 Agenda. Fragility, as outlined by IFAD's strategy for engagement in FCAS, varies at the regional, national and sub-national levels. IFAD seeks to deliver tailored fragility-sensitive engagement to enhance the resilience and effectiveness of IFAD operations in the most fragile situations (IFAD, 2016b). As part of the IFAD12 replenishment, IFAD committed to allocating a quarter of all its core resources to FCAS (IFAD, 2022a) and at least 30% of core funds in IFAD13 (IFAD, 2023d). IFAD's attention to FCAS is especially important given its unique focus on targeting poor rural people and inclusive and resilient rural development, which are especially difficult in contexts where there is limited state presence and capacity.

To mitigate shocks from global polycrises including climate change, the COVID-19 pandemic and impacts of the war in Ukraine, IFAD launched the Crisis Response Initiative (CRI) in 2022. This aims to: (i) prevent hunger and food insecurity; and (ii) mitigate the worst impacts of the food crisis on poor rural communities (IFAD, 2022d). It focuses on tailored interventions to prevent hunger and food insecurity while supporting sustainable food systems. CRI prioritises a list of the 22 most vulnerable countries across all regions.

SITUATIONAL ANALYSIS

From the 1970s to the end of the 1990s, the main rural development paradigm was based on the premise that the agricultural sector of developing countries could be successfully developed through the application of enhanced technology (Kohli, Nag and Vikelyte, 2022). Central to this model was the implementation of Green Revolution technology, which encompassed improved seeds, irrigation systems, chemical fertilisers, optimal farm machinery, comprehensive farmer education, robust research and development, and strengthened rural infrastructure. This framework was the foundation of donor-supported agricultural projects, a path that IFAD embraced during this era. A substantial body of literature identifies the positive impact of these projects and this approach, notably supporting agricultural growth in many developing nations (Kohli, Nag and Vikelyte, 2022). Moreover, it played a pivotal role in elevating many farmers' livelihoods and contributed to reducing rural poverty and food scarcity.

Evidence shows that while these interventions yielded some progress, they also increased the marginalisation of certain farming communities, contributing to persistent rural poverty, malnutrition and hunger. Vulnerable people and farming communities include smallholder farmers tending to less fertile lands, farmers with disabilities, elderly farmers, female heads of households, indigenous peoples and people living in remote or water-scarce areas. Vulnerable people living in rural areas often find themselves excluded, disadvantaged or marginalised. Data from IFAD show that smallholder farmers are the main producers of food globally and that they provide between 60% and 80% of food in developing countries. It is within this context that IFAD's strategic focus on supporting smallholder farmers and inclusive and resilient rural development is critical.

The increasingly complex and challenging development context also highlights the important role that IFAD plays in the multilateral system. The COVID-19 pandemic, increasing global conflict and fragility, sharp increases in internal and external debt, and supply chain disruptions have resulted in the sharpest global economic downturn in decades. The adverse effects of climate change have markedly intensified over the last ten years. The increasing frequency and

Peru – Local Productive Development Project in the Highlands and Rainforest of Peru (Avanzar Rural) – August 2022.

The project focuses on developing the competitiveness and resilience to climate change of family farmers, in particular women and youth, historically marginalized in economic decisions affecting rural communities.

Photo: © IFAD/
Giancarlo Shibayama/
Factstory



heightened intensity of climate change have had a disproportionately negative impact on countries situated within the tropical belt, which is home to the majority of the world's food insecure population.

The strategic directives encapsulated in IFAD's Strategic Framework 2016-2025, its fifth, and the Strategy and Action Plan on Environment and Climate Change 2019-2025 articulate the organisation's roadmap for tackling these multifaceted concerns.

The global disruption caused by the COVID-19 pandemic led to a rapid shift within IFAD to remote work, the closure of offices, and the imposition of travel restrictions. Digital tools assumed a prominent role as traditional in-person functions transitioned to virtual realms. The specifics of IFAD's response are explored within the assessment.

Box 3: IFAD's COVID-19 response

In response to COVID-19, IFAD responded in three key ways: it repurposed project activities, created a facility to scale up and provided advice. IFAD reprogrammed USD 147 million in 2020 to support project participants. IFAD's Rural Poor Stimulus Facility sought to improve poor rural people's food security and resilience. At the end of 2022, IFAD had disbursed 94.6% of a programme of USD 85.2 million. Lastly, IFAD helped advise governments in their own respective responses. For instance, in India, IFAD provided input on COVID-19 policy implications on food movement.

The rise in the use of digital tools led to substantial benefits, some of which will likely remain and continue to be used. Notably, practices like geospatial data analysis and greater extraction and application of secondary data are anticipated to continue being valuable. Moreover, the shift necessitated by the pandemic, including the curtailment of international staff and consultant travel for field visits, prompted the engagement of local consultants to bridge the gap. Hiring local consultants has a variety of benefits, including improving employment opportunities and skills and increasing the capacity of people in developing countries. This serves to not only empower local communities but also foster sustainable growth. However, it also presents certain challenges, chief among them being the need for candidates to possess the requisite qualifications and expertise. Additionally, constraints tied to travel, especially to project sites, stand as significant hurdles in the effective implementation of this approach (IFAD, 2021f).

IFAD's programming was impacted by a decline in disbursements as well as changing needs. In response, IFAD repurposed project activities to deliver resources more rapidly, such as inputs to beneficiaries. At the same time, IFAD experienced supply chain interruptions affecting agricultural production in some of its beneficiary countries and transportation of goods to market. The pandemic also resulted in increased poverty and hunger. Through the RPSF, IFAD sought to improve the resilience of rural poor by ensuring timely access to inputs, information, markets and liquidity. These responses were co-ordinated with UN country teams to complement the UN approach in countries and were often done in collaboration with other RBAs. The crisis also provided "an opportunity to accelerate the use of digital services and solutions, which can help increase farmers' productivity and incomes, strengthen resilience to climate change and improve access to markets" (IFAD, 2020c). As a result, supervision was conducted remotely, and in-person supervision missions were allowed as conditions permitted. The assessment reflects on IFAD's response to the pandemic.

PREVIOUS MOPAN ASSESSMENTS

IFAD has now been assessed by MOPAN four times. In 2010 and 2013, the assessments were conducted under the Common Approach and in 2017-18 under MOPAN 3.0.

TABLE 8. 2018 MOPAN ASSESSMENT AND MANAGEMENT RESPONSE OF IFAD'S STRENGTHS AND AREAS FOR IMPROVEMENT

	2018 assessment	Management response
Strengths	<ul style="list-style-type: none"> ● A clear mandate supported by a well-articulated strategic framework that is aligned with the 2030 Agenda. ● Regular, intensive consultation processes that ensure a responsive, relevant organisation. ● A transparent, well-defined approach to resource allocation. ● A strong institutional focus on results that is underpinned by a well-developed results infrastructure. ● Clear progress towards results-based budgeting. 	<p>Management appreciates the assessment's conclusion that IFAD is an agile, responsive and well-performing organisation and that it delivers consistently strong impact on rural poverty, with significant benefits for women. Other positive findings of the assessment that management is pleased to note include:</p> <ul style="list-style-type: none"> ● IFAD's results culture is strong and growing stronger, and the evaluation and accountability functions continue to be robust. ● Financial transparency and accountability are supported by a solid audit function. ● Developments such as the Social Environmental Climate Assessment Procedures have further strengthened the project design process, including the mainstreaming of cross-cutting issues such as gender, environment and climate change. ● IFAD's work on diversifying its resource base and adopting new financing frameworks better equip it to deal with a tighter financial environment
Weaknesses	<ul style="list-style-type: none"> ● Speed of disbursement remains to be improved. ● Institutional capacity analysis should be strengthened. ● Shortcomings in targeting strategies weaken IFAD's approach. ● Measurement of knowledge work needs to be enhanced. ● Integration of performance data and lesson-learning could be more systematic. ● Incorporation of human rights and good governance at design intervention stage. 	<p>The main areas for improvement noted by the assessment include:</p> <ul style="list-style-type: none"> ● Project efficiency and sustainability – the relatively weaker performance in these areas mainly stems from the challenging marginalised rural contexts that IFAD-supported projects operate in, where costs of development are higher and government and implementing partner capacities tend to be lower. ● Project disbursements – the same factors affecting project sustainability and efficiency underlie delays in project disbursements. Implementation of a corporate disbursement action plan developed in 2016 is ongoing and is yielding improvements in IFAD's disbursement ration. ● Higher-level policy engagement – enhancing IFAD's engagement in country-level policy processes is a key priority for Management. Policy engagement is now systematically included in country strategies and projects. While the 2018 Aid Data report Listening to Leaders, which ranked IFAD fourth among all stakeholders, suggests IFAD was already on a positive trajectory in this regard, the comprehensive country presence and decentralisation reform process launched in 2018 will contribute to further strengthening performance in this area. ● Targeting, good governance and human rights – recognising that these cross-cutting themes are essential to fulfilling IFAD's mandate, relevant important steps to strengthen IFAD's approach and practice are underway as part of the IFAD11 agenda. Action plans to mainstream rural youth and gender transformative approaches in IFAD's operations were presented to the Executive Board in December 2018 and May 2019, respectively. The following two documents will be presented to the Executive Board in September 2019: Revised Operational Guidelines on Targeting and Framework for Operation Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability. An approach for disaggregating data on people with disabilities in IFAD projects will also be developed.

Source: 2018 Assessment; Management Response to 2018 Assessment

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OVERVIEW OF KEY FINDINGS





Jordan – Rural Economic Growth and Employment Project (REGEP) – Recipes for Change – September 2023. Field officer Marah Mufeed Ibrahim Al Momani (left) showing the solar panels to chef Carlo Cracco (right) with translator Mais Bassam Karam (center left), and Nour Omar Muhammad Banat (center right), on Nour's new farm. Mais and Marah both work at Jordan Enterprise Development Corporation (JEDCO), IFAD's local partner implementing REGEP. Nour is a Jordanian beneficiary from REGEP, she received an innovation grant from the project about a year ago and used it to create a new farm, powered by solar panels and using drip irrigation, currently one of the most efficient water and nutrient delivery systems for growing crops. The solar panels allow her to pump water directly from the ground and store it in a well. Nour aims at having more grapes but also olive and fig trees. REGEP's goal is the reduction of poverty, vulnerability and inequality in rural areas through creation of productive employment and income-generating opportunities for the rural poor and vulnerable, especially youth and women. Chef Cracco's visit is part of IFAD's Recipes for Change program, aiming at finding common ground between people and culture across the world through the food they eat while tackling climate change. Photo: © IFAD/Arthur Tainturier

ASSESSMENT SUMMARY

Context

After a decade of consistent development gains, global hunger has increased since 2015. Data from the Food and Agriculture Organisation (FAO et al., 2023) and the World Bank show that the number of people experiencing hunger has been gradually rising since 2015 and increased sharply since 2020. The war in Ukraine, climate change and the COVID-19 pandemic have interrupted global food markets, decreasing the availability of food, disrupting food aid, and dramatically increasing the price of food (FAO et al., 2023). This has negatively affected the food security of countries without the resources to buy sufficient food on world markets to address their national food deficits. Climate change has also had a major negative and disruptive impact on agriculture, particularly in low-income countries. According to the World Bank, in 2023, as many as 1 billion people globally have had severe difficulty obtaining food and have been forced to skip meals as a result. FAO figures show that about 2.4 billion people are moderately or severely food insecure. Malnutrition remains a critical global issue, and the United Nations (UN) reports that progress towards achieving Sustainable Development Goal 2 (Zero Hunger by 2030) is not on track. Moreover, domestic food price inflation remains high. The World Bank Food Security update (2023) shows that inflation is higher than 5% in most developing countries (62% of low-income countries [LICs] and 76% of lower-middle-income countries [LMICs]). In real terms, food price inflation has exceeded overall inflation in 74% of the 167 countries where food Consumer Price Index (CPI) and overall CPI data are available (World Bank, 2023). As a result, food insecurity shows no signs of abating.

Africa is one of the hardest hit continents by hunger and food insecurity. Over the past several years, food insecurity and hunger have become increasingly severe throughout the developing world, and particularly in Africa (FAO et al., 2023). Nearly 60% of people in Africa experienced moderate or severe food insecurity in 2022 (FAO et al., 2023). Most of those who are food insecure and hungry are smallholder farmers and the urban poor, people displaced by war and severe climatic impacts, and people in countries whose agricultural sectors are non-performing due to a combination of poor agriculture policy, ineffective investment and impacts of climate change (Kohli, Nag and Vilkelyte, 2022). The adverse effects of climate change have markedly intensified over the last ten years. The growing frequency and heightened intensity of phenomena such as droughts, floods, encroaching seawater, and the ensuing proliferation of agricultural pests and diseases have exerted a profoundly negative impact on nations situated within the tropical belt. This geographic zone, home to the majority of the world's food insecure population, has borne the brunt of these challenges.

Against this backdrop, the mandate of the International Fund for Agricultural Development (IFAD) is becoming even more relevant. A significant proportion of the food insecure communities live in rural areas, precisely within IFAD's target groups. This includes female heads of households on small farms, young people working and living on these farms, landless farm labourers, disabled farmers, indigenous peoples, smallholder farmers living in fragile countries or situations or in the poorest regions of poor countries, and farmers affected by climatic impacts (droughts, floods, heat). As the only multilateral institution exclusively focused on targeting these groups and transforming food systems for rural prosperity, IFAD's work and mandate are now particularly relevant (IFAD, 2016a; IFAD, 2021a).

In addressing these challenges, IFAD will need to remain agile and capitalise on its comparative advantages. IFAD is evolving rapidly, as the global and country situations relevant to its mandate evolve rapidly. It has responded by decentralising its staff to get closer to its clients, making more active efforts to engage the private sector, including in non-sovereign operations, and obtaining a credit rating to enable it to borrow funds to meet client needs. In addition, it has engaged in strategic and focused mobilisation of supplementary funds to address critical global needs and pressing concerns such as climate change and objectives related to gender equality and women's empowerment (GEWE), among others. Concrete targets have been established to support results-based measurement and management systems, and mechanisms have been developed and strengthened to deal with issues of fraud, corruption and sexual misconduct.

This MOPAN assessment reflects upon how IFAD has evolved since the last MOPAN assessment, in 2018, and how it needs to position itself for future challenges. The assessment reflects on IFAD's unique experience and value proposition and its size relative to other development partners. It considers associated benefits and challenges, the drivers of performance, and opportunities for improved results. The following sections detail key findings and identify challenges and opportunities in moving ahead.

The main strengths and areas for improvement emerging from this assessment are summarised in Box 4.

Box 4. Main strengths and areas for improvement

Main Strengths

- IFAD has a clear mandate and well-articulated strategic framework which address the issues of food security and agricultural production in the poorest countries and the poorest regions of countries. Over the last five years, IFAD has increasingly focused on supporting farmers in fragile situations, people with disabilities, indigenous communities, youth and those suffering from disasters in rural areas.
- The business model is focused on this mandate, and IFAD has responded appropriately and quickly to changes in the external environment including COVID-19 and climate change.
- IFAD uses effective consultative processes to develop its country strategies, project designs and conduct project supervision.
- IFAD has been responsive in allocating its resources transparently and, in accordance with analysis of global needs, its mandate and the directions of its Member States.
- IFAD's Independent Office of Evaluation produces high-quality evaluations of operational work, country strategies, and on issues of special interest to IFAD and its management.

Areas for Development

- Improving disbursement rates and minimising implementation delays to improve project efficiency.
- Increasing budget allocation to critical activities such as project design, Country Strategic Opportunities Programmes (COSOP) formulation and project supervision and reflecting on the value of a system to better understand staff costs to improve organisational efficiency.
- Increasing selectivity within programmes, strategic partnerships (including joint monitoring and evaluation), and organisational decision making in accordance with IFAD's mandate, comparative advantage and available resources.
- Strengthening activities to improve staff well-being and respond to findings from the staff survey and initial feedback on the decentralisation process.
- Strengthening IFAD's policy on protection from sexual exploitation and abuse and its implementation; ensuring it is victim-centred and clarifies lines of accountability.

The following developments and progress have been identified in relation to areas for improvement noted in the previous MOPAN assessment (the previous assessment's findings are in bold):

- **Institutional capacity analysis should be strengthened.** IFAD has responded by strengthening these assessments over the past five years. Although the assessments have been strengthened, in practice a lack of specialised staff and resources has prevented IFAD from undertaking adequate capacity analysis in some cases. Over the assessment period, there has been an improvement in the sustainability of projects, but sustainability levels are slightly below the IFAD12 replenishment targets. This suggests that additional activities need to be completed to better assess and support the development of local institutional capacity.
- **Shortcomings in targeting strategies weaken IFAD's approach.** IFAD has taken measures to improve targeting and focus on the most marginalised and vulnerable groups. Relevant policies and ways of working across the organisation were identified within this assessment. This includes tailored strategies at the global, country and project level to allocate resources to countries, regions and communities with the highest levels of disadvantage and need. Evidence from the Independent Office of Evaluation (IOE, 2023) shows that targeting of poor rural people remains central to IFAD's mandate, and the organisation updated its guidelines in 2019 to better align with the 2030 Agenda. Although progress has been made over the last five years, there are opportunities to better internalise people-centred development throughout project cycles and action and empower extremely poor people.
- **Measurement of knowledge work needs to be enhanced.** As part of the 2019 Knowledge Management Strategy, a corporate Knowledge Management team was created in the Strategy and Knowledge Department (SKD) to strengthen work in this area. Feedback from both clients and staff via an external partner survey and staff interviews underscores the positive impact of IFAD's enhanced knowledge management system. IFAD's knowledge management system has achieved a level of accessibility that is appreciated and used by a wide range of staff. This ensures that evidence and knowledge inform project design and other decisions. Although IFAD's knowledge-building and brokering initiatives have garnered success, the potential for improvement is substantial, particularly in terms of analysing, reflecting on and incorporating more external content. Its metrics for measuring effectiveness are based on client and staff responses (IFAD, 2019; IFAD, n.d.; MOPAN survey).
- **Integration of performance data and lesson-learning could be more systematic.** IFAD has improved the linkage of performance data and lesson-learning with its annual Report on IFAD's Development Effectiveness (RIDE). Both IFAD's management and IOE contribute to this endeavour by producing distinct reports. These reports – namely the Annual Report on the Implementation of Evaluation (ARIE) and the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) – focus on extracting insights from evaluations. Lessons learned are required to be reflected in new country strategies and project designs.
- **Integration of human rights and good governance at the design level was assessed as unsatisfactory in the previous assessment.** IFAD's mandate only indirectly relates to human rights issues but does so in an important manner. Its target groups are among the most disadvantaged people on the planet, and the poverty, food insecurity and hunger of these people is a human rights issue. By assisting them, in some cases significantly, IFAD is contributing to their most basic human right – survival. As part of its overall targeted approach, IFAD has specific strategies to target vulnerable communities and those within them. IFAD strategies and policies outline its focus on indigenous peoples, young people, persons with disabilities and women. While IFAD projects do not directly support rights, they do seek to support highly marginalised beneficiaries. With respect to engagement with indigenous peoples, IFAD is considered a global pioneer among UN agencies for its work in securing indigenous peoples' rights. In the specific case of indigenous peoples, IFAD directly supports their

rights, in particular, the rights to lands, territories and resources, through an integrated approach to economic, environmental and social development within a human rights framework. The rights dimension is strong in the updated policy as well as in IFAD's role in implementing the System-Wide Action Plan (SWAP) on the Rights of Indigenous Peoples.

- **IFAD's policies and commitments are directly relevant to the Universal Declaration of Human Rights. Governance, however, is more complicated.** IFAD documents point to efforts to improve governance of the projects it finances and in the policies it recommends, but resource constraints inhibit significant work in this regard.

Key findings of the assessment:

Responsive operational model: Over time, IFAD has adjusted its operational model to respond to pressing global and local emerging challenges. During its last replenishment exercise, IFAD pledged to increase the allocation of its resources to fragile states to 25% (IFAD, 2022a; IFAD, 2016b), and through IFAD13, this commitment will increase to at least 30% (IFAD, 2023). The organisation's response also encompasses addressing the consequences of the impacts of climate change, including inter-alia, droughts, floods, saltwater intrusion, emerging pest challenges, wildfires, soil and forest degradation, and water scarcity (IFAD, 2020a; IFAD, 2021b; IFAD, 2018). In the face of these escalating challenges and considering the restricted growth of official development assistance, IFAD recently achieved a significant milestone by receiving an AA+ credit rating from Fitch and S&P. This credit rating empowers IFAD to effectively access borrowing opportunities on commercial or near-commercial terms, which allows it to cater to the needs of its middle-income borrower countries that also contend with significant pockets of food insecurity. It also enables IFAD to allocate more resources to the less developed countries (LICs) that require substantial support (IFAD, 2020b; IFAD, 2020a).

Ambitious goals: IFAD is responsive to the goals and targets set in its replenishment consultations (IFAD, 2022b). IFAD's commitment to a range of ambitious goals is a direct reflection of its dual identity as both an international financial institution (IFI) and a UN agency. These goals are intertwined with IFAD's commitment to the Leave No One Behind agenda and its resolve to tackle critical global challenges. The breadth of IFAD's ambitions and objectives is a result of analysis and discussions in its replenishment consultations and global needs, including the enduring impact of the COVID-19 pandemic and global food insecurity. Its responsiveness also means that IFAD is committed to an expanding range of objectives. As IFAD responds to these objectives, the challenge lies in prioritising in accordance with IFAD's niche role within the multilateral system and balancing commitments to ensure that each receives appropriate attention and resources.

Increasing mandates: IFAD's mandate includes gender transformative approaches, strengthening rural communities, combating malnutrition, empowering smallholder farmers to navigate multifaceted issues and supporting farmers to adapt to the impacts of climate change. Moreover, IFAD is resolutely committed to addressing specialised concerns affecting indigenous peoples, disabled rural residents, and rural youth. The organisation's commitments extend to local capacity building, harnessing the potential of the private sector to support its target groups and fostering enhanced partnerships with regional business alliances among other endeavours (IFAD, 2021a). There are concerns that the increasing mandate and activity may lead to a dilution of IFAD's niche focus and the erosion of its distinctive comparative advantage.

Growing strategic partnerships: The implementation of IFAD's new partnership strategy has yielded positive outcomes, particularly with respect to resource mobilisation. IFAD has successfully mobilised supplementary funding and leveraged additional partnerships to support the achievement of key targets set in its results framework. In all its regions, IFAD has strong co-financing from both regional multilateral development banks (MDBs) (African Development Bank and Asian Development Bank in particular) and the World Bank, placing them among the three

largest co-financiers. This approach has been instrumental in expanding the organisation's co-financing endeavours, alleviating some of the internal resource constraints it faces (IFAD, 2022b). Partnerships with its peer Rome-based agency, FAO, have improved since 2018. As IFAD moves forward, the cultivation and expansion of partnerships, especially with MDBs, will continue to play a crucial role in realising its ambitions, particularly in relation to increasing mandates and ambitious goals. Given the organisation's size and capacity limitations, strategic considerations will play a pivotal role in determining the scope and scale of these collaborative efforts.

Budget allocation in relation to IFAD's operational targets and expanding demands: From 2018 to 2022, IFAD saw its budget allocation to IFAD's Results Pillars 1: Country Programme Delivery¹ decline from 52% to 47%, while the share of budget for non-country programme delivery increased from 48% to 53%. In 2023, IFAD reversed this decline by allocating 55% of its fund to country programme delivery, and this is projected to further increase to 57% in 2024 (IFAD, 2023). In 2023, IFAD introduced changes to how it accounts for country programme delivery. Therefore, the 2023 and 2024 budget allocations cannot be directly compared to previous years. The full rationale behind the decline between 2018 and 2022 remains unclear, although some organisational restructuring and re-orientation was implemented during this time. The decline in funding during this period adversely impacted IFAD's capacity to sufficiently resource crucial activities such as formulating country strategies, project development and project supervision, all of which have seen budgets fall as IFAD deepens engagement with increasingly vulnerable beneficiaries and fragile countries. Given that the projects designed during this period will only be completed from 2025 onwards, any impacts of these declines will only be visible after this date.

While IFAD presents its budget transparently at a higher level, staff costs – which accounted for 58% of IFAD's 2022 budget – are not transparently analysed. IFAD's budget process does not monetise staff costs through a system that records costs in relation to key functions, and there are opportunities for the organisation to deepen its understanding of its relationships between resources, activities, products and results. For example, the real costs of preparing a COSOP or a project are unknown at the present time. An activity-based time recording system has the potential to provide IFAD with the evidence to allocate scarce budget resources with higher precision. Moreover, it could allow IFAD management to identify better the true cost of processes that will help streamline and rationalise them if and when required. A more transparent and systematic approach to budgeting, allocating resources and tracking staff time could help IFAD to better align its resources with its strategic priorities, improve operational efficiency and enhance its overall impact on development outcomes.

IFAD has recently led work to develop more streamlined and efficient budgeting processes and to better track expenditure. A new budgeting process that started in 2023 will be adopted as part of IFAD13-related reforms. In doing so, IFAD will be formalising key processes in 2024 that started in 2023. Budget preparation templates will include corporate priorities and expected results for each budget line that is proposed for investments. A more precise determination of the level of vacant positions will be made towards the end of 2023, to ensure an early provisional full allocation of resources for departments to facilitate better planning for temporary staffing needs. This has the potential to enhance optimal use of resources early in the year. In addition, efforts to more precisely determine the level of carry forward will be made towards the end of 2023, to ensure an early provisional allocation of resources for unforeseen, unbudgeted and/or incomplete programmes from prior years. Quarterly budget performance reporting to IFAD's Executive Management Committee was introduced in 2023, and it will be further enhanced by the implementation of Business Intelligence dashboards, thereby reducing the transaction costs associated with the production of reports and making information for decision making more readily available. In addition, a methodology for the costing of each of the final IFAD13 commitments agreed will be implemented in early 2024.

¹ Country Programme Delivery is one of four results pillars. It includes the following: country strategies and programmes; design of new loan and grant financed projects; supervision and implementation support; enable and support; enabling management functions; country-level policy engagement; and allocable corporate costs.

Challenges related to management of human resources: In recent years, IFAD has faced challenges in human resource management, a concern that finds resonance in the results of the past two staff surveys, conducted in 2022 and 2018. These surveys show a decline in morale, substantial dissatisfaction with the management of human resources and a perception of inefficiencies in processes (IFAD, n.d.; interviews). The recent IOE evaluation of IFAD's decentralisation experience and insights from staff interviews show that the initial phases of the decentralisation process were inadequately managed, resulting in operational challenges. A prevailing sentiment among staff is the struggle to strike a harmonious work-life balance while coping with considerable workloads. This is largely attributed to both resource constraints, manifesting as budget and staff shortages, and factors related to human resource management. The effects of the COVID-19 pandemic on mental health and disruptions to work patterns are also likely to have had an impact on staff well-being and morale during the assessment period. Acknowledging these issues, IFAD's new management team has embarked on measures to address these concerns in 2023. This includes learning from the early phases of the decentralisation process, refining human resource practices, addressing staff well-being and organisational culture and intensifying recruitment endeavours.

Further progress needed to build on IFAD's new initiatives to protect from sexual misconduct: IFAD has made progress in this area over the past five years and work in this area builds on IFAD's successful projects that tackle gender-based violence in marginalised rural communities. The issuance of its first IFAD policy to prevent and respond to sexual harassment (SH) and sexual exploitation and abuse (SEA) in 2018 marks an important milestone. Given IFAD's business model, contact with communities and beneficiaries comes through projects managed by governments that receive loans and grants and their implementing partners. Staff from IFAD noted that because governments contract implementing partners, IFAD has only limited control over whether and how provisions to protect from SEA are implemented. Clarifying accountability lines between IFAD, governments and their implementing partners, and ensuring they have sufficient capacity to protect from SEA, should therefore remain a priority.

IFAD'S FUTURE TRAJECTORY

Strategic shifts responding to the external context and the evolving development landscape. The new President has a depth of institutional knowledge and a unique opportunity to strategically position IFAD with fresh perspectives and a new strategic framework. Central to the framework is addressing shareholder demands during replenishment discussions while managing expectations to avoid overextension. IFAD's success relies on leveraging its strengths while being aware of its size and limited resources. The forthcoming strategy would benefit from sharpening focus on the ongoing challenge of household food security, including nutrition, in the areas that it operates in the face of climate change. This involves working closely with partners, including the private sector, to help reshape agricultural practices and support the most marginalised rural communities.

Adapting the financing model to scale up work to respond to global challenges. IFAD has already made progress in expanding its resource base. The high rating (AA+) from Fitch and S&P supports continued borrowing, thus supplementing its limited resource base to support recipient countries that can access non-concessional resources. Similarly, recent efforts to increase supplementary financing through its new partnership strategy are yielding results. Additional efforts to further enhance its base with non-traditional donors and seek untied funds will further support its work in fragile and conflict-affected states and LICs. The recent engagement with the private sector is necessary for IFAD to respond to the scale of global challenges and organisational ambition. However, this approach is not without risk. It is important to manage potential financial and programme delivery risks because these pressures stem from IFAD's target beneficiaries – the rural poor in very poor regions. As IFAD considers ways to speed up disbursements, like reaching a broader audience, there are also strategic risks to consider that may take IFAD away from this target audience which is in its mandate and comparative advantage. Finally, IFAD does have a robust risk management framework, but it needs to implement it systematically across all three levels to balance risks and rewards. Learning

from other IFIs, IFAD should enhance its institutional capacity, especially in terms of skills. Taking cautious steps is crucial for achieving positive results.

As decentralisation matures, it is highly likely to lead to results over the longer term. There is clear logic and rationale to IFAD decentralising its staff posts and decision making: it increases development effectiveness. However, there have been initial implementation challenges related to the accelerated pace of the decentralisation process, a lack of engagement with staff and a lack of learning from similar experiences of other multilateral institutions. IFAD is learning from internal feedback on the decentralisation process and has already taken some initial steps to improve the process going forward. However, as IFAD moves beyond decentralising staff posts, it will also be important to support decentralised staff to implement the delegation of authority. Experience from other IFIs that have undertaken decentralisation activities shows it is a valuable but time-consuming process and benefits are derived as the process matures.

Strategic partnerships and effective knowledge management will remain key to IFAD's success. Recent efforts to strengthen partnerships with Rome-based agencies (RBAs) have been promising. Some partnerships have been opportunistic and emerged at the country level where both IFAD and the other RBAs have offices with common priorities. As IFAD continues to build on the recent efforts to strengthen RBA collaboration, the organisation would benefit from allocating additional resources to joint activities. Creating incentives for staff to partner with other development partners, including most importantly other multilateral development agencies, could enhance learning and outcomes. While IFAD has improved knowledge management (upstream), ensuring systematic application (downstream) is equally important. Focusing on generating and disseminating knowledge in its core operational domains will help IFAD maximise its comparative advantages. Finally, linking knowledge to results and its contribution to outcomes will maximise opportunities for knowledge products to remain relevant.

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DETAILED LOOK AT FINDINGS



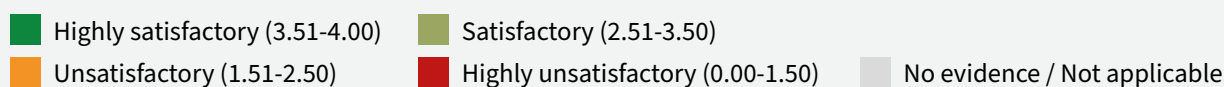


SCORING IFAD ON PERFORMANCE

This chapter provides a more detailed assessment of the performance of the International Fund for Agricultural Development (IFAD) across the five performance areas – strategic management, operational management, relationship management, performance management and results – and the key performance indicators that relate to each area, accompanied by their score and rating. It illustrates key findings and highlights feedback from stakeholders.

The MOPAN performance scoring and rating scales are listed below.

FIGURE 8. MOPAN 3.1 PERFORMANCE SCORING AND RATING SCALE



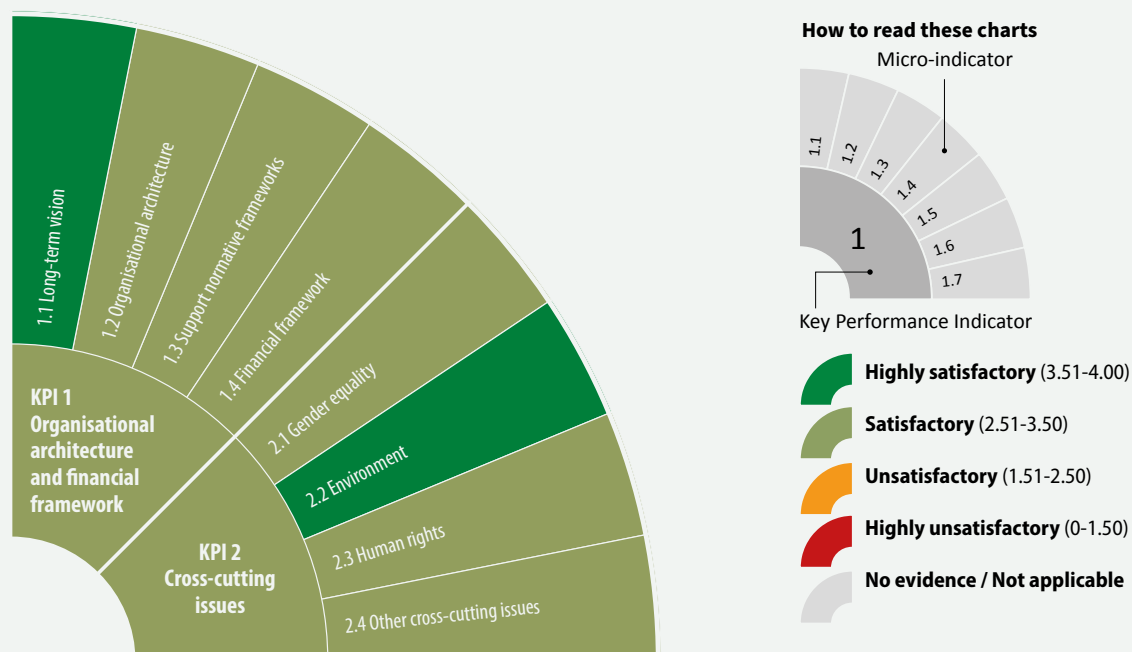
Source: MOPAN Methodology Manual, 2020 Assessment Cycle, http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf

Assessment key findings draw on information from the three evidence sources (document reviews, interviews and a partner survey – see Chapter 4 for more information).

Further analysis per micro-indicator and detailed scoring, as well as the full survey results, can be found separately in Part II: Technical and Statistical Annex of the 2023 MOPAN assessment of IFAD.

STRATEGIC MANAGEMENT

FIGURE 9. KEY FINDINGS ON IFAD'S STRATEGIC MANAGEMENT



Nigeria – Value Chain Development Programme (VCDP) – November 2023. Harvesting rice using a mechanical brushcutter rice harvester in the demonstration plot established by Evelyn Ifebuch Nwaru for the Chimeremma Women Cooperative Society Aninri local government area in south-eastern Nigeria's Enugu State. Photo: © IFAD/ Andrew Esiebo

IFAD's strategic management performance is rated satisfactory. IFAD's organisational structure is broadly aligned with its strategic framework. This enables implementation of activities and achievement of results in accordance with IFAD's focus on meeting the needs of smallholder farmers and rural communities, which are often underserved by larger international financial institutions (IFIs). The framework and its triennial replenishment cycles, which operationalise the framework and its vision, are based on a clear comparative advantage. To support these goals and ambitions, IFAD has undertaken several initiatives to further increase its impact on reducing hunger and poverty by 2030.

IFAD mobilises its resources from a variety of sources, including traditional replenishment contributions, leveraging, co-financing and supplementary funds. IFAD uses these resources largely in line with its targeting efforts to ensure the most concessional resources are focused on the most vulnerable countries and regions.

Recognising the magnitude of global challenges, IFAD has taken steps to secure additional funding by developing closer ties with the private sector and initiating borrowing activities from capital markets. This strategic move has required substantial transformations to enable IFAD to effectively borrow funds and establish the requisite structures and processes to manage heightened risks associated with lending to and borrowing from the private sector.

In addition to guidelines and mechanisms for resource targeting and allocation, IFAD addresses key cross-cutting issues through its resource allocation. Resource allocation decisions consider climate change, disability inclusion, youth empowerment, gender equality and women's empowerment (GEWE), environmental sustainability, nutrition and support for indigenous peoples. IFAD has dedicated human and financial resources in each of these areas, and they work in accordance with relevant plans, strategies and policies. However, interviews and staff surveys show that not all of these cross-cutting issues are perceived by staff to have adequate resources. Some areas are experiencing resource constraints that may limit IFAD's ability to address issues in ways that are comprehensive.

The **strategic management** performance area explores whether there is a clear strategic direction in place that is geared to key functions, intended results and the integration of relevant cross-cutting priorities. This area is assessed through the two key performance indicators (KPIs) specified below:

KPI 1: Organisational architecture and financial framework enable mandate implementation and achievement of expected results.

Satisfactory

3.28

As laid out in its Strategic Framework 2016-2025, IFAD's overarching development goal is to "invest in rural people to enable them to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods" (IFAD, 2016: 5). The framework outlines three strategic objectives: (i) increase poor rural people's productive capacities; (ii) increase poor rural people's benefits from market participation; and (iii) strengthen the environmental sustainability and climate resilience of poor rural people's economic activities. All three objectives are linked to the 2030 Agenda and mapped to directly support Sustainable Development Goals (SDGs) 1 and 2 as well as SDGs 5, 8, 10, 13 and 15. These objectives and IFAD's goal are rooted in its comparative advantage and expertise from being the only IFI focused on assisting the poorest and most marginalised farmers in the developing world.

The framework is operationalised through replenishment cycle consultations and a corresponding Results Management Framework (RMF). The consultations cover all aspects of IFAD, including how the organisation will mobilise, allocate and manage resources in accordance with the framework and the 2030 Agenda. Central to this approach is targeting the most vulnerable people, including the most vulnerable farming communities. As such, IFAD allocates the majority of its resources to countries in lower-middle-income countries, disadvantaged regions and fragile and conflict-affected states. At the country level, through the Country Strategic Opportunities Programme

(COSOP), it establishes priorities in relation to disadvantaged regions and most vulnerable socio-economic groups. Finally, at the project level, IFAD targets the poorest and most excluded within the project area.

IFAD has a clear comparative advantage. IFAD is a recognised leader in the field of rural women’s empowerment and is also considered a “global pioneer” among United Nations (UN) agencies for its work in securing indigenous peoples’ rights, an acclaimed promoter of poor rural communities’ resilience to climate change, and one of the largest lenders supporting inclusive rural finance (IFAD, 2016: 14). IFAD understands that to achieve its objectives it must work in partnerships where there are strategic advantages and a clear rationale for doing so.

IFAD’s triennial replenishments provide an opportunity to reflect on its comparative advantages and constraints with member states to achieve its articulated vision in a constantly changing external development context. Consultation reports, a corresponding commitments matrix and the RMF outline how IFAD’s mandate is operationalised. In replenishment consultations, member states’ views are reflected in the expansion of non-sovereign borrowing and operations (IFAD, 2018a; IFAD, 2021a).

IFAD’s organisational structure remains broadly aligned with the strategic framework. This includes strong country-driven engagement. IFAD’s business model supports the implementation of the strategic framework. Similar to the RMF, IFAD regularly reviews and refines its business model as part of its replenishment cycle. The current IFAD12 business plan outlines co-ordination across divisions and departments, but its operational structure limits systematic co-operation due to a lack of incentives to co-operate as the number of departments has grown (see KPI 3).

In its Corporate Level Evaluation (CLE) of Decentralisation Experience, the Independent Office of Evaluation (IOE) notes the co-ordination challenges between the Strategy and Knowledge Department (SKD) and the Programme Management Division (PMD). While the CLE highlights that efforts were taken to address these challenges, such as the inclusion of a Project Technical Lead in all design teams and regular communication channels between country teams and outposted SKD technical teams, the uptake has not been consistent. This suggests there is value in IFAD reflecting on effective ways that SKD and PMD could co-ordinate activities to mainstream cross-cutting themes that are identified in the Strategic Framework. The evaluation also found that in-country offices being under-resourced relative to their responsibilities created a mismatch between the aspirations of in-country offices and the ability of small offices to deliver the full range of desired services, notably non-lending activities (IOE, 2023b). IFAD’s management response to this evaluation notes that IFAD’s management has a different position on some of the evidence and data presented and their link to the conclusions.

IFAD’s financial framework is designed to invest and allocate resources at highly concessional levels and through grants. This approach, while supporting IFAD’s mission, can place a strain on the institution’s financial sustainability, particularly in the absence of replenishment. Historically, member states have consistently participated in replenishments, which has helped IFAD compensate for losses from its two main cost drivers: grants and administrative budget. It is important to note that foreign exchange losses are another key cost for IFAD, but they are too expensive to hedge and most of the losses are unrealised. Recently IFAD has reformed its Debt Sustainability Framework (DSF) and introduced modifications to enhance financial sustainability through grants (IFAD, 2021a). The institution has also taken steps to curtail its regular grant programme while augmenting replenishments to secure its financial viability. These adjustments, in conjunction with IFAD’s elevated status as a preferred creditor, owing to its member states’ backing, have led to an impressive credit rating and facilitated IFAD’s ability to engage in borrowing activities. This comprehensive approach supports IFAD in striking a balance between its financial resilience and the pursuit of its developmental objectives.

As a specialised UN agency and an IFI, IFAD faces a difficult challenge between reducing its high administrative budget relative to its portfolio and the needs and resources to target beneficiaries. These roles are coupled

with an ambitious, and growing, agenda and a recent increase in the number of priorities it needs to address. These priorities are collectively determined through replenishment consultations and are framed in response to prevailing global challenges. IFAD’s budget process is led by the Office of Strategic Budgeting, which works with departments to identify areas needing focus and resources. IFAD’s budget process has different processes for non-staff and staff budgets. Non-staff budget submissions by departments are categorised by institutional output group (IOG), such as “country strategies and programmes” or “enable and support”. Regarding staffing, IFAD assesses “requirements based on agreed priorities and affordability criteria while also assessing functional and structural alignments using the dynamic workforce planning approach” (IFAD, 2022a: 12).

IFAD’s budget transparently shows significant expenditures and breaks down its allocation across departments and results pillars. Feedback from interviews with staff highlights perceptions that there are shortfalls in IFAD’s budget planning process, which has contributed to insufficient funding in various priority areas. This staff perception is particularly pronounced in the allocation to country programme delivery, which experienced both a real decline and a decrease as a percentage of the total budget between 2018 and 2022. The 2023 budget approved in December 2022 attempted to address this situation by allocating additional resources to country programmes – in 2023, 55% of costs were allocated to country programme delivery, and in 2024, the budget is projected to increase to 57%.

IFAD does not have an activity-based recording system to record staff costs, making it challenging to determine the impact of staff costs and compare the efficiency of various processes within the organisation in a cost-benefit manner. To enhance efficiency, there is merit in IFAD reflecting on the value of evaluating non-country operational costs, particularly internal processes. A system to better track and monetise staff costs may help IFAD to allocate its resources more effectively and to monitor costs relative to benefits of various activities.

IFAD largely relies on un-earmarked core resources but increasingly uses earmarked (supplementary) resources. IFAD continues to strengthen its ability to mobilise and manage supplementary resources while ensuring they are used in line with its strategic objectives and priorities. The increasing pursuit of supplementary resources is critical and laid out in the Strategic Framework, particularly given the slow growth in official development assistance. IFAD allocates around 68% (USD 836 million) of the supplementary funds to co-finance IFAD investments (IFAD, 2022b). The remaining funds are used to support global and thematic initiatives. Of the total supplementary funds used to co-finance IFAD projects, 42% was allocated to projects in sub-Saharan Africa (SSA) in line with IFAD’s wider efforts to ensure more resources are directed to SSA.

KPI 2: Structures and mechanisms support the implementation of global frameworks for cross-cutting issues at all levels, in line with the 2030 Sustainable Development Agenda principles.

Satisfactory

3.34

Gender equality and women’s empowerment (GEWE)

Since 2012, IFAD has had a dedicated policy on GEWE, which is operationalised through a Gender Action Plan (GAP). The policy lays out three objectives to help it achieve its impact: (i) promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities; (ii) enable women and men to have equal voice and influence in rural institutions and organisations; and (iii) achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men (IFAD, 2019a). The GAP theory of change (ToC) “illustrates the mutually reinforcing pathways and activities to sustainably reduce inequalities between women and men in rural areas, with a focus on greater impact of IFAD’s investments” (IFAD, 2019b: 2). The target for gender transformative projects is 35% for IFAD12 and was 25% for IFAD11. This demonstrates IFAD’s increasing ambition and commitment to gender transformative change. Data collected by IFAD’s management shows that new designs of projects have exceeded IFAD’s targets, with 41% of all projects being assessed

as gender transformative. These figures are self-reported rather than independently confirmed. The self-reporting is based on a strict methodology and set of unified objective criteria behind gender transformative projects at design. The classification of gender transformative has to be validated by several parties including technical gender experts based on the methodology and criteria. Non gender transformative projects can cover important elements in terms of gender equality and women's empowerment. IFAD's work in this area represents a significant achievement as gender transformative change is focused on addressing power relations between men and women, structures, and cultural norms that sustain gender inequality. As such, it is a significantly more challenging ambition than gender equality.

The GAP sets out IFAD's indicators and targets, which are included in the RMF and the mainstreaming agenda.

While the RMF does not include all GEWE-related indicators, the Report on IFAD's Development Effectiveness (RIDE) provides an in-depth analysis of design-level and COSOP-level indicators and targets. These are set by management in the GAP, and they have been reaffirmed or increased in the current replenishment cycle (IFAD, 2020a). IFAD has clear guidance and checklists to mainstream and design an increasing proportion of gender transformative projects. A gender transformative project must "create opportunities for individuals to actively challenge gender norms, promote women's social and political influence in communities, and address power inequities between persons of different genders" (IFAD, 2020b: 2). A commendable achievement is the integration of gender mainstreaming into all new COSOPs and Country Strategy Notes (CSNs), which was realised for IFAD11 (IFAD, 2022c). These strategic frameworks inform project designs and are further supported by internal guidelines and checklists aimed at strengthening both gender transformative approaches and gender mainstreaming within projects.

IFAD has a dedicated gender desk situated within the division that is responsible for all cross-cutting issues.

The desk covers three streams of work – (i) GEWE; (ii) targeting; and (iii) persons with disabilities inclusion – and has four staff and four long-term consultants. The gender and social inclusion desk works collaboratively with two decentralised social inclusion officers, with another three positions expected to be filled shortly. Gender consultants are also hired based on strategic analysis of needs at the country level. Staff on the GEWE and social inclusion team join Project Design Teams (PDTs) either as representatives of Social Inclusion or as Project Technical Lead (PTL). The Project Development Teams are responsible for developing technical components of the project design and Social, Environmental and Climate Assessment Procedures (SECAP). Feedback shared in interviews indicates that staff can engage consultants to support their work in areas such as SECAP.

Environmental sustainability and climate change

Since 2018, IFAD has been guided by a Strategy and Action Plan on Environment and Climate Change. This strategy is operational from 2019 to 2025. Prior to this, IFAD had separately established two distinct statements, one focused on climate change and the other addressing environmental and natural resource management. These initial statements were introduced in 2011 and 2012, respectively. The current Strategy and Action Plan on Environment and Climate Change is closely aligned with IFAD's overarching Strategic Framework, particularly its third strategic objective. This strategic alignment underscores the interconnectedness between IFAD's environmental and climate initiatives and its broader goals. Within the framework of this strategy, IFAD outlines its varied approaches to realising the objectives associated with the third strategic goal.

Environmental sustainability and climate change indicators and targets are integrated into the RMF and reported on in the RIDE. The RMF contains both project-level output and outcome targets. Like GEWE, the RIDE also tracks progress against targets in the preparation or approval, such as the share of COSOPs that are climate mainstreamed. In IFAD11, all new COSOPs mainstreamed climate by analysing the nationally determined contributions (IFAD, 2022c). The analysis helps ensure IFAD's climate investments are aligned with national climate finance targets. In addition, analysing nationally determined contributions with COSOPs allows IFAD to support achievement of the Paris Agreement and help countries meet their commitments. Overall, COSOPs, guidelines and checklists help screen all projects for environmental and climate risks as part of IFAD's safeguard procedures. IFAD environmental and climate

teams are situated within the Environmental, Climate, Gender and Social Inclusion Division (ECG) and Sustainable Production, Markets and Institutions (PMI) Division. IFAD's environmental and climate teams include positions and budget from the management of supplementary funds. Staff support projects by serving in PDTs as either PTLs or environment and climate representatives. IFAD's valuable work in supporting farming communities to adapt to climate change was highlighted by IOE's recent thematic evaluation of IFAD's contribution to smallholder farmers' adaptation to climate change. This evaluation notes that IFAD assessed climate risks in all its country strategies and operations and integrated climate response in interventions facing "moderate" or "high" climate risk (IOE, 2023a). It shows that IFAD's approach to climate change adaptation is "evolving and progressing in the right direction" and identifies projects where IFAD has contributed to improving the economic, climatic and environmental resilience of smallholder farmers.

Vulnerable people

IFAD has dedicated documents outlining its approach and targets for working on nutrition and supporting indigenous peoples and people with disabilities. IFAD has dedicated policies on indigenous peoples and persons with disabilities as part of its commitment to the Leave No One Behind agenda. In countries where indigenous peoples are vulnerable to rural poverty, malnutrition and climate change, country strategies are informed by analysis of their specific needs, data disaggregated according to indigenous peoples and country-specific dimensions of rural poverty. This work is complemented by a Nutrition Action Plan (NAP). IFAD's first policy on indigenous peoples was developed in 2009 and updated in 2022. The first policy was designed to enhance IFAD's development effectiveness in its engagement with indigenous peoples. The 2022 policy reaffirmed the establishment of the Indigenous Peoples' Forum at IFAD (IPFI) as a central body to engage with indigenous peoples and promote dialogue between IFAD and indigenous peoples. For IFAD12, IFAD committed to designing ten new projects that included indigenous peoples, and around 30% of IFAD projects include indigenous peoples as target groups. IFAD's Disability Inclusion Strategy 2022-2027 is more recent and helps IFAD more systematically support disability inclusion both in its operations and in the workplace. Lastly, the NAP for 2019-25 was revised to reflect IFAD11 mainstreaming commitments and capture lessons learned to support meeting those commitments. Importantly, the NAP links with other cross-cutting themes.

The RMF does not include targets and indicators for vulnerable people, except in relation to nutrition. Disability inclusion targets and indicators have only recently been set and therefore have only more recently begun to be monitored. IFAD's commitments to indigenous peoples are tracked through its biennium reports on the IPFI. The reports track IFAD's targets of reaching 11 million indigenous peoples by 2032 and, more recently, under IFAD12 around 30% of IFAD projects will include indigenous peoples as target groups. IFAD faced challenges in achieving its nutrition impact target measure during IFAD11, where its aim to enhance the nutrition of 12 million individuals was not met. IFAD attributes this shortfall to the systematic mainstreaming of nutrition within projects from 2019 and the time required for nutrition outcomes to exhibit tangible impact. The projects that concluded under IFAD11 were designed well before the mainstreaming initiative. This raises valid questions on the realism and attainability of such targets, considering that improving nutrition necessitates multifaceted interventions beyond IFAD's control. These interventions encompass enhanced access to higher-quality food, improved healthcare systems, improved incomes and better education. IFAD's nutrition impact target measure has subsequently been revised to 9-13 million people for IFAD12 (IFAD, 2022c).

Staff working on gender, climate, nutrition, indigenous peoples and persons with disabilities are based within SKD. The social inclusion team, which covers indigenous peoples and persons with disabilities, focuses on issues regarding vulnerable people. Staff in respective teams are responsible for screening all projects for social risks as part of its SECAP procedures, including specific risks to indigenous peoples, nutrition and persons with disabilities. SECAP defines vulnerable groups as: Individuals or groups whose age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages, or dependence on unique natural resources are more likely to be adversely affected by the impacts of a project, or who are less able than others to take advantage of a project's benefits. The distribution of staffing resources across various priority areas generally appears to be well aligned, taking into account the recent emergence of these priorities.



Kenya – IFAD President's visit – May 2023. Alvaro Lario and farmer Gilbert Muriuki harvesting healthy cabbages at his farm in Embu County, which benefited from the Karimari Rutune Community Irrigation Project. The photo was taken during the President's trip to the field, where he was to see results from the Upper Tana Catchment Natural Resource Management Project. Photo: © IFAD/Joe Kinyanjui Kageni.

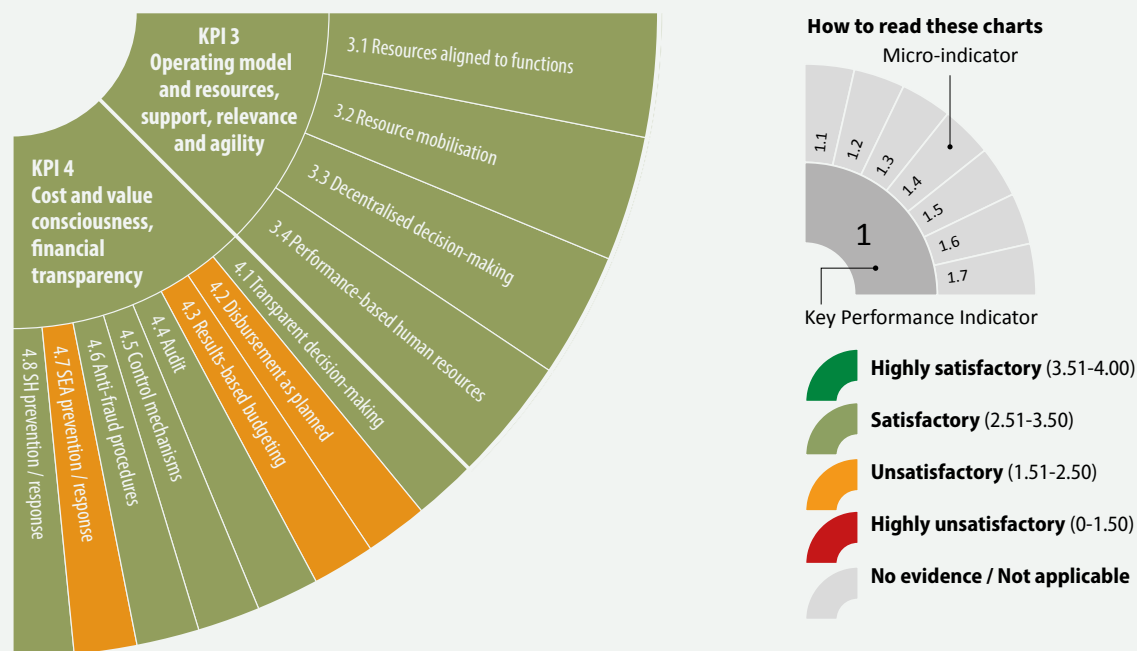
Youth

IFAD has developed a dedicated policy statement on youth in each Strategic Framework since its first reference in the 2007-2011 Strategic Framework. The Rural Youth Action Plan operationalises the policy statement. This guides IFAD in its youth-sensitive projects. Youth-sensitive projects “(i) describe youth and its context-based challenges and opportunities in the project design analysis; (ii) inform a targeting strategy that explicitly targets youth with concrete objectives and activities to achieve impact in priority areas (see below), expressed as part of the project’s theory of change, approach and results framework; and (iii) allocate resources to deliver activities targeting youth” (IFAD, 2018b: 5). In addition, IFAD has developed a guidance note on mainstreaming youth sensitivity in design and implementation to guide PDTs at design and implementation.

Youth indicators and targets are tracked in the RMF and in more detail in the RIDE. The RIDE reports on the indicators included in the RMF and those associated with mainstreaming progress. In IFAD11, all new COSOPs were youth-sensitive, in accordance with the target, and 86% of all new designs (25 out of 29) were youth-sensitive (IFAD, 2022c). The RIDE also provides clear information on the quality of projects and trends, given the nascency of the cross-cutting issue. IFAD has a dedicated youth team based within ECG. Staff on PDTs help ensure youth-sensitive projects are designed per guidelines. In addition, they are also responsible for ensuring SECAP compliance, which includes child labour risk and consultation requirements. IFAD has made efforts to increase financial resources to ECG to support the engagement and targeting of youth in particular.

OPERATIONAL MANAGEMENT

FIGURE 10. KEY FINDINGS ON IFAD’S OPERATIONAL MANAGEMENT



IFAD’s operational management is rated as satisfactory. IFAD’s organisational structure is broadly aligned with its strategy and objectives. Between 2018 and 2022, the allocation of budget resources to country programme costs declined from 52% to 47%. This has recently been reversed, with an increase in the proposed 2023 budget – 55% – being allocated to country programme costs, and it is projected to increase to 57% in 2024. This area of expenditure includes costs associated with country strategies and programmes; design of new loan and grant financed projects; supervision and implementation support; enable and support; enabling management functions; country-level policy engagement; and allocable corporate costs.

There is a high staff vacancy gap within IFAD’s country operations. This gap in staffing could impede the effective design and implementation of projects and initiatives, ultimately affecting the organisation’s ability to achieve its goals. Staff surveys show a growing dissatisfaction with the efficiency of organisational internal procedures and processes. In 2022, only 24% of respondents agreed or strongly agreed that “IFAD internal procedures and processes are efficient”, a decline from 27% in 2018 (IFAD, n.d.a). While steps are being taken to address these issues through action plans and recent changes in the budget trajectory, they have the potential to limit IFAD’s efforts to scale and strengthen its impact if left unaddressed.

IFAD’s organisational structure supports a well-performing resource mobilisation strategy with clear targets and plans. As of 2023, IFAD has demonstrated its capacity to secure significant co-financing, achieving a ratio of two dollars of co-financing for every dollar of core resources. This has been reinforced by the enhanced presence of Country-Directors-led offices, which contributes to the successful execution of IFAD’s resource mobilisation efforts. The initial phase of its implementation faced challenges that adversely affected staff morale. While the full benefits of decentralisation, such as increased relevance, impact and efficiency, are expected to become more pronounced over the long term, IFAD has already observed positive outcomes. Notably, these include improved project designs and country strategies that are more closely aligned with local needs and priorities. This alignment extends to fragile and conflict-affected states (IOE, 2023b), underscoring IFAD’s commitment to addressing the unique challenges of these contexts.

IFAD allocates its lending and grant resources to targeting the most vulnerable communities and poorest countries. IFAD has established specific targets but frequently encounters delays or challenges in achieving them. Although disbursement rates have improved since 2017, they continue to fall below the set targets. The demanding environments in which IFAD operates, coupled with the additional challenges brought about by the COVID-19 pandemic, contributed to disruptions in disbursement timelines during the assessment period.

IFAD has a clear risk management structure that seeks to prevent and address risks as they arise. The Office of Audit and Oversight (AUO) and the Ethics Office are central to these functions. The Ethics Office monitors compliance and reviews complaints, while the AUO investigates all complaints and violations. IFAD’s Chief of the Ethics Office leads the work on protecting from sexual abuse and exploitation and sexual harassment. In addition to these offices, IFAD complaints procedures for non-compliance with its SECAP are monitored by the Operational, Results and Policy (OPR) Division. The Risk Management Office manages operational risks as defined in the Operational Risk Management Procedures.

This **operational management** performance area gauges to what extent the assets and capacities organised behind strategic direction and intended results ensure relevance, agility and accountability. This area is assessed through the two key performance indicators specified below:

KPI 3: Operating model and human and financial resources support relevance and agility.

Satisfactory

3.04

IFAD’s organisational structure is broadly aligned with its strategy and objectives. Between 2018 and 2022 the proportion of budget allocated to country programme delivery – including budget for new designs, supervisions and country strategies – declined from 52% to 47%. In 2023, this increased to 55%, and it is projected to increase to 57% in 2024. In the two staff surveys during the assessment period (2018 and 2022), staff increasingly disagreed with the statement, “In my Division/Office we have the resources necessary to be effective (methods, systems, equipment, budget, staff).” In 2022, only 30% agreed or strongly agreed, in comparison to 42% in 2018 (IFAD, n.d.a). Between 2018 and 2022, staff increasingly disagreed that IFAD procedures and processes are efficient, and in the 2022 survey,

staff expressed concerns about internal processes primarily led by headquarters which were perceived as excessive, although these concerns could not be substantiated. As part of the 2023 budget, IFAD made changes in accounting for programme and administration costs, and expenditure on country programme delivery cannot be directly compared to previous years. (IOE, 2023b: 20). In comparison to 2022, the 2023 budget for project design, supervision, implementation and support increased by USD 3.49 million, and it is projected to further increase in 2024.

IFAD's country presence was initiated in 2004 with 15 offices and a three-year budget of USD 3 million under a field presence pilot programme. Following an independent evaluation of decentralisation in 2007, a further 15 offices were approved. Decentralisation of posts and decision making accelerated over the assessment period. Decentralisation is a key pillar of IFAD's Strategic Framework's ambition, but some staffing issues limit those efforts. Initially, IFAD created small country offices with a country programme manager and locally recruited staff. This evolved into increasing staff in country offices, with Country Directors and, in some cases, regional offices containing the Regional Director (RD) and staff responsible for IFAD work in multiple countries. IFAD has set up two regional offices along with 41 country offices, in line with its prior commitments. IFAD also has 12 multi-country offices (MCOs) spread across all five regions. IFAD developed a Delegation of Authority and Accountability Framework to decentralise certain roles to Country Directors (CDs). The framework emphasises the need to ensure that in-country offices reflect programme size and country circumstances.

There is wide acknowledgement, as seen in Executive Board minutes, interviews with staff, discussions with management and decentralisation evaluations, that the initial and accelerated implementation of decentralisation had a demoralising impact on staff. The pursuit of Decentralisation 2.0, as assessed by IOE, was characterised by a "top-down approach that didn't adequately consider staff concerns and lacked insights from the decentralisation experiences of other international financial institutions (IFIs) and United Nations (UN) agencies" (IOE, 2023b: 32). IFAD's management response to this evaluation notes that IFAD's management has a different position on some of the evidence and data presented in this evaluation and their link to the conclusions. Minutes from the Evaluation Committee meeting in May 2023 also highlight that the large number of indicators that were included within the report did not allow for clear-cut analysis.

As such, IFAD in its management response contested or only partially agreed on several recommendations and findings but generally agreed and noted changes to the reassignment process and focus on promoting staff well-being. Notably, adjustments were made to alleviate issues that arose, such as challenges faced by decentralised staff members with families, due to the misalignment of the reassignment process with the school calendar. IFAD's management agreed on the need to address staff well-being and organisational culture. It was also noted that a number of initiatives have already been or are in the process of being rolled out, including an immediate action plan to reduce IFAD's vacancy rate in order to ensure the needed resources to fulfil emerging decentralised responsibilities.

Perceptions and feedback shared in interviews with staff show there is clear recognition that decentralisation was the right choice, with clear and tangible benefits seen with closer interaction with government counterparts and other partners. Unfortunately, as IFAD has sought to increase staffing and decentralise and re-assign staff, it has seen staff departures and a persistently high vacancy rate. This may be due to decentralisation, reassignment and/or other factors. IFAD's vacancy rate decreased from 16.2% in 2018 to 9.7% in 2019 and progressively increased to 11.6% in 2020, 15.2% in 2021 and 15.8% in 2022 (vacancy rates reported at year-end). In 2021 and 2022, IFAD's vacancy rate has been well above its 12% threshold. The presence of vacancies has exacerbated concerns among staff members, particularly relating to workloads and perceived resource inadequacies. These concerns were highlighted in the 2022 Staff Survey. Management has developed an action plan to reduce the vacancy ratio, and results are being seen in particular with regard to positions outside of headquarters. Management acknowledged that the issue of work-life balance and high workloads required a holistic approach, including also better prioritisation and efficient decision-making processes.

Given its constraints, IFAD broadly has appropriate staffing and resourcing for each team responsible for its cross-cutting issues. However, human and financial resources for indigenous peoples and GEWE teams are relatively more constrained. For indigenous peoples, IFAD only has one full-time specialist to support its revised policy as well as oversee the Indigenous Peoples Assistance Facility and IFPI. Feedback from interviews shows there is a perception that the GEWE team faced difficulty given declining project design budgets that further limited its ability to recruit consultants when staff were not available. Technical specialists are expected to join supervision missions, but staff were limited given their dual operational and corporate roles.

In line with its desire to increase impact, IFAD has a resource mobilisation strategy with targets and plans to achieve them. Central to IFAD resource mobilisation is its replenishment exercise. In IFAD11, the Fund developed frameworks to enable sovereign and concessional partner loans. In IFAD12, IFAD began private-sector borrowing via private placements. IFAD also seeks to increase its co-financing ratio from 1:1.4 to 1:1.5 and mobilise additional funds to its flagship climate fund (ASAP+) and Private Sector Financing Programme. As of 2023, IFAD has surpassed that with a ratio of 1:1.95. Together, these resources help meet IFAD’s ambition to have a larger programme of work, which includes co-financing and external resources.

As part of IFAD’s decentralisation, authority was devolved to the field, particularly RDs and CDs, via a 2022 Delegation of Authority (DoA) and Accountability Framework. The DoA and accountability framework has led to a modest decentralisation of decision-making authority within specific contexts. For instance, RDs can reallocate unused funds, and CDs can communicate to country counterparts on behalf of IFAD (IFAD, 2022a). Feedback gathered through interviews indicates that, on the whole, staff members generally agree that their respective divisions possess sufficient delegated authority to take independent action. Some staff members based in decentralised locations consider this initial step as a positive development and anticipate further delegation of authority as time progresses.

IFAD has a Performance Management Process (PMP) that assesses staff performance, but staff have concerns about its implementation. Beyond evaluating staff, the process aims to establish a culture of continuous improvement and development. As part of the PMP, supervisors and staff must have a minimum of three formal meeting points to help measure progress against goals and competencies previously agreed upon (IFAD, 2021b). The majority of staff are performing well, with only ten currently rated as underperforming. Importantly, underperformers work with managers to develop performance improvement plans. Despite a sound system, the staff survey from 2022 shows only 29% of respondents had positive views that “IFAD’s processes and procedures with respect to performance evaluation are implemented effectively” (IFAD, n.d.a). This is an increase from 26% of staff agreeing with this statement in 2018. In addition, the overall positive feedback ratings for questions about IFAD’s performance management within the 2022 staff survey increased from 43% in 2018 to 50%. Staff performance is used when considering promotions, awards, salary increments or disciplinary measures.

KPI 4: Organisational systems are cost- and value-conscious and enable transparency and accountability.

Satisfactory

2.73

In line with its commitment to allocate more resources to the poorest and vulnerable countries, IFAD has adjusted the criteria for the Performance-Based Allocation System (PBAS) and Borrowed Resources Access Mechanism (BRAM). All core resources, via PBAS, support low-income countries (LICs) and lower-middle-income countries (LMICs) to ensure better targeting of IFAD’s most concessional resources. Furthermore, IFAD has set minimum PBAS allocations at USD 4.5 million to serve small countries better, typically SSA countries, LICs and Small Island Developing States (IFAD, 2021a). The BRAM is designed to on-lend borrowed funds to upper-middle-income countries (UMICs) and select LICs and LMICs. Overall, between PBAS and BRAM, UMICs total financing is capped at 20%. Similarly, IFAD has set targets for the IFAD12 Programme of Loans and Grants to allocate 55% to Africa and

50% to SSA (IFAD, 2021a). Within loan offerings, the concessionality varies based on the partner's socio-economic context. Certain countries can receive their PBAS allocation through grants depending on their debt distress level. These adjustments are in line with IFAD's Strategic Framework and discussions with its member states as part of the replenishment process.

Disbursement conditions are set in the Financial Agreements and need to be fulfilled for the first disbursement to happen. The project's disbursement profile determines the disbursement rate. The "acceptable disbursement rate" is determined based on the project disbursement rate and the project disbursement profile. It can be amended by the Financial Management Officer (FMO) if there is a specific need to do so. The previous MOPAN assessments of IFAD noted that both management reports and independent evaluations identify disbursement delays as having potentially negative effects on IFAD's results. This assessment found that the first disbursement in new IFAD-financed projects took an average of 19 months after Board approval. In response, IFAD has undertaken measures to improve this performance, and the average delay has fallen to 13 months, according to the 2022 RIDE (IFAD, 2022c). Since 2019, IFAD has also set disbursement caps that have slowed disbursements to proactively avoid any liquidity problems. According to interview evidence, these caps are to be phased out in the near term. While the improved disbursement performance is a significant achievement, further progress would be desirable. At the present time, disbursement profiles are based on project type. They are being reviewed to better align with the specific disbursement profile of each project.

IFAD generally applies a results-based budget but does not track costs from activity to results. As a response to requests from the Board for heightened transparency, IFAD's management has taken steps to offer a more transparent cost estimation regarding the decentralisation process. Furthermore, IFAD has made a commitment to make further improvements in reporting practices. Decentralisation costs and benefits could be better tracked for transparency purposes, to understand outcomes and assess value for money. A system to better understand staff costs could support these efforts. The budget justifies expenditures at the department level, especially as it relates to staffing, given the need for more staff to manage a larger programme of work. Over the assessment period, IFAD made efforts to enhance efficiency and reduce costs, but an examination of budget trends between 2018 and 2022 suggests that these measures may not have focused on non-country programme delivery functions. Feedback shared in interviews suggests that there may be a perception among staff (9/15 interviewees) in PMD and SKD that their budget between 2018 and 2022 became increasingly constrained due to a rise in non-country programme delivery activities.

IFAD's total design budget fell from USD 7.07 million in 2018 to USD 4.83 million in 2022. In contrast, the 2023 budget for design increased to USD 8.64 million. The supervision budget fell from USD 15.32 million in 2018 to USD 13.39 million in 2022. In common with the design budget, in 2023 the budget for supervision increased to USD 14.94 million. It is important to contextualise reductions in expenditure on design and supervision between 2018 and 2022 which included the COVID-19 pandemic, limiting travel and consequently reducing budgetary needs.

IFAD's external audits are in compliance with internationally accepted standards. Auditors are competitively selected for five-year periods to conduct annual audits. Auditors specifically examine IFAD's annual comprehensive income statements and provide a statement on the effectiveness of Internal Control over Financial Reporting as part of the annual financial statement. Importantly, IFAD-only financial statements are audited by the selected auditor. In addition to an external audit, IFAD has an independent internal audit unit, the AUO.

IFAD applies a range of appropriate and relevant complaints mechanisms and procedures to manage risk. This includes the IFAD Complaints Procedures for alleged non-compliance with the social and environmental policies and mandatory aspects of IFAD's SECAP, which the IFAD Programme Management Department, Operational, Results and Policy Division monitors. There are procurement complaints mechanisms and operational risk management procedures. In addition, all IFAD supported projects and programmes are required to establish project level grievance redress mechanisms and compliance or otherwise. They are routinely checked during project supervision.

IFAD has a clear code of conduct for staff. The code of conduct also outlines procedures for reporting issues ranging from close relatives working at IFAD to external remuneration. Violations of this code are monitored by the Ethics Office and investigated by the AUO (IFAD, n.d.b). Complaints can be made to the AUO and the Ethics Office via email, phone (WhatsApp and hotline) or mail. IFAD does not have any established timeline for processing and investigating complaints. All staff-related issues are referred to the Human Resources Division (HRD) to determine disciplinary measures, which are then forwarded to a Sanctions Committee for approval. Data and trends on the caseloads and type of cases are reported in the AUO’s annual report. The report also touches on salient observations from internal audit work, and the status of internal audit recommendations are provided.

IFAD has a policy on Preventing Fraud and Corruption in its Activities and Operations. The policy, most recently revised in 2018, defines five prohibited practices: corrupt, fraudulent, collusive, coercive and obstructive practice (IFAD, 2018c). IFAD clearly defines roles for management, staff, non-staff personnel, third parties, recipients and vendors. IFAD has mandatory training on anticorruption for staff and consultants to support awareness. The AUO annual report tracks the implementation and enforcement of the policy. Similar to the violation of the code of conduct, IFAD has a confidential channel to report prohibited activities.

IFAD has undertaken significant efforts since 2018 to address sexual exploitation and abuse (SEA) and sexual harassment (SH). This is justified, as IFAD’s goal to “work where poverty and hunger are deepest: in the most remote regions of developing countries and fragile situations, where few development agencies venture” (IFAD, n.d.c) also means that it funds projects in the types of situations that are most vulnerable to abuse of authority – such as SEA – towards beneficiaries and the host population.

Sexual misconduct

IFAD has clear standards on the protection from sexual misconduct. In 2018, it issued the first IFAD policy to prevent and respond to sexual harassment and sexual exploitation and abuse and signed the IFI Joint Statement on Continuous Advancement of Standards to Prevent SH and SEA. The IFAD SEA/SH policy outlines obligations of staff and others holding work contracts. Two-year action plans, supported by a cross-divisional task force led by the Chief of the Ethics Office, translate these commitments into concrete outputs. The Ethics and AUO offices prepare progress reports to the Board and the UN Secretary-General.

Forthcoming revisions to the policy provide an opportunity to introduce further improvements. While a holistic view of sexual misconduct is positive in principle, in practice, it is unclear from IFAD’s policy and action plan where separate or additional actions to protect from SEA and SH are required and how, related to the fact that victims/survivors of SH are IFAD personnel, while victims/survivors of SEA are external. The assessment has found that the blurring of the lines between SEA and SH leads to a lack of clarity among staff both at headquarters and in countries. IFAD would benefit from distinguishing SEA and SH more clearly in its policy and action plan where it leads to operational differences.

Furthermore, **IFAD’s SEA/SH policy is not yet victim/survivor-centred**, although the most recent action plan shows that the concept is gaining a hold. IFAD will need to define what it means by a victim-centred approach in all aspects of SEA and SH, separately, and to turn it into practice.

IFAD is part of the Multilateral Financial Institutions SEA/SH Working Group together with 11 other IFIs. IFAD also participates in a series of UN task teams and working groups on preventing and responding to SEA and SH. The assessment did not identify any evidence of IFAD’s tangible contribution to inter-agency efforts. Given IFAD’s demonstrated strong track record in tackling gender-based violence, it has potential to share valuable lessons across UN agencies and IFIs.



Angola – *The Artisanal Fisheries and Aquaculture Project (AFAP)* – March 2023. Jaime João Cunda, a 31-year-old father of four, is the vice-president of the Binzole cooperative and a literacy teacher. The project has had an impact on his life by providing classes and training in entrepreneurship, which led to the opening of his own store. He further explained that his cooperative is in a good phase, as fish sales had started two weeks ago and that he is ready to sell and grow his own.

The aim of the AFAP is to improve food security and nutrition among artisanal inland fishing and fish-farming households. Through the Binzole Cooperative (Vila Maltide/Quissole Community), a rural community located in Malanje Province, about 417 Kms north/west of Luanda, nearly 50 families are supported by the project with 48 ponds excavated and stocked, and provided with pond maintenance material and security kits. AFAP has had a positive impact on income generating activities for both smallholder inland fisheries and aquaculture. Photo: © IFAD/António Penelas.

Sexual exploitation and abuse

IFAD has invested significant effort to ensure that its personnel understand the policy. Results from the UN-wide SEA survey in 2021 seem to suggest that staff are aware of the issue of sexual misconduct. Although SEA is absent from the code of conduct for staff, SEA online training is mandatory for all personnel, with good completion rates. As part of its preventive efforts, IFAD uses ClearCheck to avoid hiring personnel with a negative track record.

The organisation rightly recognises, however, that its exposure to SEA risk is greatest in project implementation, where IFAD contract holders (governments that receive loans and grants) and their implementing partners are working in communities. Accordingly, there is a particular need to focus on compliance of its partners and awareness-raising of communities around the projects. IFAD in 2018 put procurement standards in place that require contractors to “take all appropriate measures” to prevent and prohibit SEA on the part of the contractor, its personnel, its subcontractors, and anyone else employed by contractors and subcontractors. A Model Code of Conduct for Project Parties has become part of the Project Implementation Manual in 2023. It requires projects to comply with the IFAD Policy on SEA and SH and notes that non-compliance may result in an investigation by IFAD. SECAP procedures and SEA training for project teams at start-up are designed to ensure that SEA risk is captured and mitigated from the outset and is considered in project supervision.

These developments since 2018 are remarkable. Nonetheless, several issues remain to be addressed. One critical issue that IFAD should clarify is whether its SEA definition is indeed limited to “beneficiaries” (as the policy currently states), or whether IFAD would also take accountability if victims/survivors were other members of its host communities.

Second, IFAD currently does not assess the capacity of recipients of loans and grants to prevent, respond to and investigate SEA during its due diligence processes – nor their capacity to do so with their contractors and all those employed by them. It lacks a mechanism for tracking how they are meeting their obligations and does not require proof that vendors and contractors are sensitised with respect to SEA. To date, it has only very limited monitoring and verification in place to ensure that implementing partners do take “appropriate action”, and this leaves a significant risk. Related to this, IFAD also has work to do to ensure that “zero tolerance” of SEA is not understood as an automatic termination of a contract with a partner when SEA is reported (this could deter victims from speaking up) but that the message is zero tolerance for *impunity* for any form of sexual misconduct. This, too, requires taking a closer look at the capacity of recipient governments to handle SEA complaints, protect whistle-blowers and conduct investigations so that they can take appropriate action where IFAD’s jurisdiction ends.

Thirdly, IFAD’s complaints mechanism is not yet adequate for SEA. IFAD does offer the possibility to confidentially make a complaint to the Ethics Office via an (Italian) phone number (for WhatsApp and calls) or to an email address communicated in projects and listed on IFAD’s website. Yet the hurdles for SEA victims/survivors from local communities to know these entry points, and to use them, are high. Grievance redress mechanisms in projects have not resulted in any SEA complaints to date. Supporting existing community-based reporting mechanisms, enabling them to function as a channel for advice and complaints, may be worth considering. Taking a closer look at how whistle-blowers from the community are protected may also be necessary.

Another challenge lies with IFAD’s financial and human resources to protect from SEA. It is a great achievement that IFAD has established SEA focal points in all in-country offices, whose task is to raise awareness and support SEA workshops for project start-up. However, no specific time or budget is allocated for this corporate role. They lack funds for awareness raising in communities, for building capacity among project staff and for adapting relevant communication materials on SEA. At headquarters, resources for the protection from SEA also merit another look, as the Ethics Office (that leads on implementing the policy) has seen its budget, staff seniority and capacity reduced. It

will be important to have strong and high-level leadership on SEA and SH issues to ensure IFAD has adequate capacity in the future to protect from SEA as it grows and decentralises its programme of work.

IFAD would also benefit from reviewing its risk measures for SEA. Overall, IFAD has made progress in reviewing and reflecting on risks over the last five years. It has put procedures in place to assess SEA risk in projects. However, it expresses the probability of that risk in function of whether SEA has occurred before at IFAD, or in similar organisations or investments. Its Corporate Risk Dashboard uses, as a risk measure, the number of allegations received by IFAD. These measures are inappropriate, as it is widely known that most cases never get reported. More inter-agency co-ordination at country level would support contextualised risk analysis. Furthermore, the Corporate Risk Dashboard only accounts for the risk of SEA being perpetrated by IFAD personnel, but not for the risk of SEA perpetrated by implementing partners – where the major risk is to be expected.

IFAD publicly reports on numbers and follow-up action related to SEA allegations, but the low number of SEA cases reported is no reason for complacency. Since 2022, IFAD has publicly reported its SEA caseload (from both internal and external parties) through its annual Ethics Office reports, and the AUO's Annual Report on IFAD's Investigation and Anticorruption Activities includes information on the outcome of SEA allegations within its aggregate figures. To date, only one allegation of SEA has been made to IFAD (in 2018). The organisation has not received any complaints of SEA since then. IFAD should keep in mind the risk of under-reporting and not use these figures to measure risk or the success of its approach.

Sexual harassment

The same policy that underpins IFAD's SEA commitments also lays out its commitments to prevent and respond to SH. IFAD's policy predates the 2019 Secretary-General's Bulletin and the 2018 UN Model Policy on Sexual Harassment, but it is broadly in line with the UN Model Policy on Sexual Harassment. IFAD intends to align it further with regard to procedures and employment contracts when it updates its policy in 2023. IFAD is making good progress in raising awareness of SH. As a measure of prevention, all personnel are required to complete ethics training online, including a module on SH, and completion rates are high. IFAD has no dedicated training for managers but has developed a toolkit focusing on SH/SEA to help them address and handle staff workplace concerns.

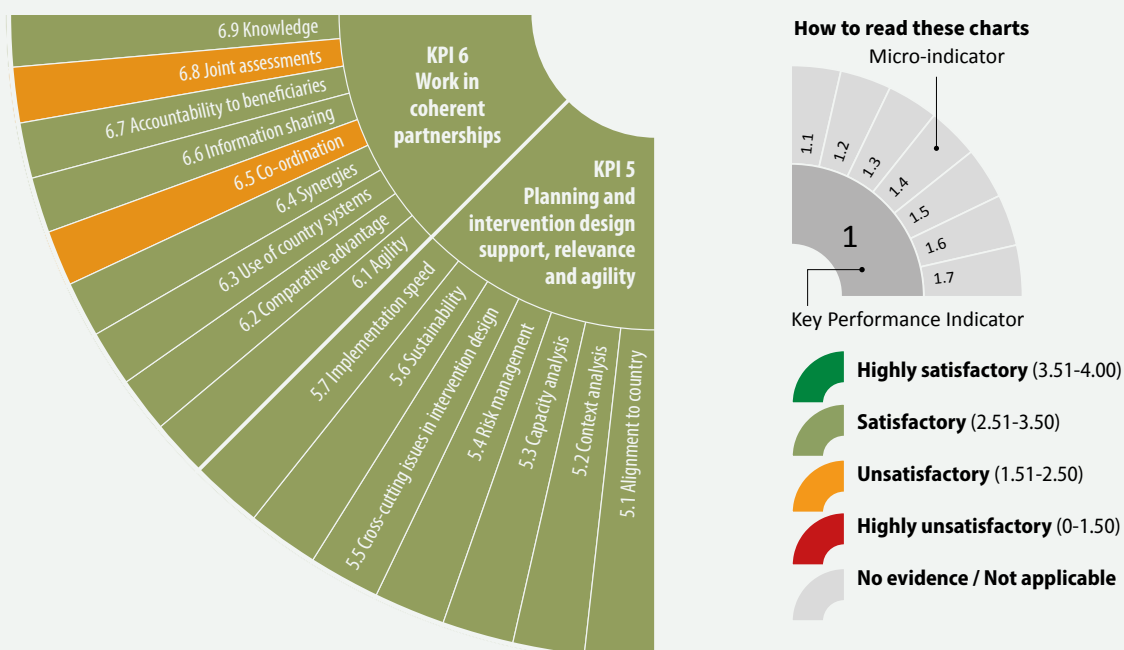
As is good practice, there are several IFAD entry points for victims/survivors **to seek advice informally**, including the Ethics and Human Resources offices, a psychologist, and a staff representative. Reports can be filed through the same channels as SEA: WhatsApp, phone and email lines to the Ethics Office and the AUO.

The AUO investigates SH allegations and refers matters to the Sanctions Committee for review and disciplinary measures. The organisation has a commitment in its policy to protect reporting parties who act in good faith from retaliation, although the assessment team has not been able to verify how it is applied.

Although IFAD is undertaking good efforts to protect from SH, there still is room for improvement. While IFAD has not yet gained the trust of all staff about the adequacy and appropriateness of organisational efforts to protect staff from SH the annual ethics report shows that the number of SH allegations increased from 2 to 6 between 2021 and 2027. This small upwards trend may indicate increasing awareness and trust in reporting channels. Nevertheless, some staff do not believe that these channels are confidential and will lead to action. The organisation could demonstrate its responsiveness better by making action taken on SH allegations better known. Also, IFAD could assure personnel of a victim-sensitive accompaniment during investigation – through clear standard procedures – and how victims/survivors will be looked after.

RELATIONSHIP MANAGEMENT

FIGURE 11. KEY FINDINGS ON IFAD'S RELATIONSHIP MANAGEMENT



IFAD's relationship management is rated as satisfactory. COSOPs are relevant to the needs of beneficiaries and national plans. They help frame and guide project design and play a central role in how IFAD mainstreams cross-cutting issues, as an increasing share of COSOPs mainstream gender, youth, climate and nutrition.

IFAD's project designs are formulated within the context of the projects' operational environment. This includes a comprehensive risk analysis conducted during the design phase and continued monitoring throughout implementation. The analysis encompasses a range of factors, such as operational, political and reputational risks inherent in the country's conditions. In addition, both the COSOP and project designs are mandated to incorporate an assessment of country systems, which informs decisions regarding their utilisation and any necessary modifications. During the design phase, IFAD places significant emphasis on consultations with beneficiaries and national governments. However, it is unclear whether these beneficiary consultations encompass discussions about setting project targets.

IFAD project designs require and have more explicit guidelines on requirements for exit strategies and project revisions throughout the project cycle in comparison to 2018. However, it is premature to determine whether these changes have led to enhanced project sustainability.

Through IFAD's decentralisation of staffing and decision making, the organisation is increasingly better positioned to partner with others. Importantly, this has supported efforts to leverage resources and increase regional partnerships through regional projects. At both the global and country levels, IFAD staff use a comparative advantage lens in deciding on joining partnerships. Despite a good record on partnerships, IFAD has not engaged significantly in joint monitoring, reporting or reviews with development partners.

IFAD knowledge work is guided by a clear strategy and good partnerships to help "generate, use and share the best available evidence and experiential knowledge to achieve higher quality operations, and greater visibility and

influence in the global development community” (IFAD, 2019a: iii). IFAD strongly emphasises knowledge gained from IFAD’s own country and project work while at the same time supporting and leveraging other partners’ knowledge work.

The **relationship management** performance area looks at whether the organisation has engaged in inclusive partnerships – and to what extent – supported relevance, leveraged effective solutions and maximised results. This area is assessed through the two key performance indicators specified below:

KPI 5: Operational planning and intervention design tools support relevance and agility in partnerships.

Satisfactory

3.15

IFAD’s COSOPs are a robust product that has benefited greatly from decentralisation. These strategies are the result of a collaborative effort between IFAD and the respective national government, providing a comprehensive framework that guides IFAD’s engagement at the country level. If a full COSOP is not feasible, a CSN is prepared as an interim strategy. The preparation of these strategies is led by CDs, who work in conjunction with a team comprised of a regional economist and a technical specialist from ECG. If necessary, CDs can request additional support from other divisions to aid in the formulation of COSOPs. This collaborative approach ensures that the needs of beneficiaries, especially those belonging to vulnerable groups, are effectively communicated and incorporated into the strategy. Given the joint nature of the COSOP preparation process between IFAD and its partners at the country level, IFAD country strategies are well linked to national goals and priorities.

Project designs are clearly positioned within the operating context. Development Effectiveness Matrix Plus (DEM+) outlines the design criteria and guides PDTs in designing projects. DEM+ ensures projects are sufficiently situated in the operating context. Designs are evaluated based on the context and rationale for IFAD’s engagement, including fragility and conflict sensitivity, effectiveness, and the likelihood of achieving the development objective (IFAD, n.d.c). The risk matrix also plays a key role in framing the operating context as it relates to the development objective.

IFAD encourages regular and open communication with its partners. COSOPs play a central role in facilitating identification and mapping potential partners for projects to consider. They have clear frameworks to plan, implement and monitor partnerships. At the project level, the financing agreement sets out reporting arrangements with borrower governments and any development partners. IFAD’s effective communication with partners was evidenced by its activities during the onset of COVID-19. IFAD country teams worked with governments during the pandemic to find solutions to COVID-19 impacts within active projects.

COSOPs include capacity analysis of national implementing partners, which inform project designs. As part of the COSOP Risk Matrix, IFAD specifically examines financial management, internal country controls, account and financial reporting, external audit, and procurement issues. Respective analyses and diagnostics further explore procurement, financial management and SECAP. These analyses help identify opportunities to use country systems for specific functions, such as procurement, or even identify capacity-building measures. Importantly, IFAD monitors changes in capacity at regular intervals to ensure that any changes are reflected in the risk matrix and corresponding mitigation measures.

More recently, IFAD has engaged in capacity-building efforts in several areas outside traditional procurement and financial management. IFAD fully subscribes to the Rome Declaration on Harmonisation and the 2005 Paris Declaration on Aid Effectiveness which put emphasis on the use of country systems. IFAD’s Financial Management Services Division (FMD) has been encouraging the use of Project Financial Management country systems where these

are assessed to be adequate for project implementation during design. The FMD reforms that started in 2021 were underpinned by the need to move away from a transactional approach to a more principle-based approach to financial management work. As a key focus of the FMD is on the achievement of development outcomes (more willingness to take on risk), the harmonised use of country systems has become more necessary. As the design of more Results Based Lending projects begins to increase, the use of country systems is becoming more and more prevalent. Like other development partners, IFAD faces a trade-off in using local systems, which can build local capacity and better assure project sustainability, versus IFAD's fiduciary responsibility to ensure proper use of its resources. Where local procurement and financial management systems are weak, for example, fiduciary concerns oblige IFAD to impose its systems. Despite these concerns, IFAD is engaging in capacity building but is limited by scarce grant resources, which were recently capped. Grant resources represent an important source of funding for capacity building, and loans can and have been used to finance capacity-building activities as well. However, governments frequently have a low appetite to borrow for capacity building as part of IFAD projects. IFAD's grant programme has supported several capacity-building areas such as project management (RESOLVE and SUSTAIN), monitoring and evaluation (M&E) (PRIME), financial management (APEX) and procurement (BUILDPROC). Given IFAD's limited operational resources, these capacity-building activities are a prime candidate for partnerships with other institutions that have capacity (and resources) in these areas. The majority of partners, including government, civil society, private sector and other actors surveyed agree that IFAD's work takes into account national and regional capacity.

IFAD has specific requirements to review operational, political and reputational risks as well as risks of sexual abuse and other misconduct with respect to host populations in its projects. COSOP guidelines require IFAD to identify and propose risk mitigation measures for risks related to political/governance, macro-economic, sector strategies and policies, institutional capacity, portfolio, fiduciary, environment and climate. COSOPs identify how IFAD, working with the government, will manage risks to mitigate their impact on the country programme. The 2023 Operating Procedures and guidelines for country programme strategies – standard (COSOP-S) introduced the integrated COSOP Risk Matrix. These risk analyses are complemented by SECAP, which are meant to identify, categorise, mitigate and monitor environmental, social and climate risks. SEA and sexual misconduct are covered under specific SECAP standards and have clear provisions to address risks. Although it is positive that SEA is part of the risk assessment, the measure for risk – based on numbers of allegations received – is not appropriate and is likely to lead to an underestimation of risk. All risks are expected to be tracked throughout the project cycle. Supervision missions, in particular, monitor and assess the efficiency and effectiveness of risk mitigation measures. MOPAN's external survey of donor and borrower government officials from recipient countries concurs that IFAD demonstrates effective risk management in the various contexts of its operations across different countries.

There are clear criteria about how to mainstream corporate priorities and subsequently integrate them into projects. ECG staff lead these efforts and ensure compliance with theme-specific situational analysis, integrated theory of change (ToC), specific indicators and outcomes, and dedicated financial and human resources (IFAD, 2020b; IFAD, n.d.c). The inclusion of multiple themes is guided by country demand and frameworks for implementing transformational approaches to mainstreaming themes. Perceptions about limited staffing levels and capacity issues were identified in interviews with IFAD staff. This raises questions about how well these issues are being fully integrated into country programmes and projects. Staffing levels and capacity issues may limit the inclusion of some IFAD priorities.

IFAD projects are required to consider sustainability and exit strategies. Throughout the project cycle, exit strategies must be assessed and reviewed, particularly from the Mid-Term Review (MTR) onwards. Exit strategies are also rated after MTR as part of supervision. These efforts are important to IFAD, given that the sustainability of project benefits has been one of its lowest rating categories. Accordingly, IFAD, as part of IFAD11, committed to adopting a Sustainability Action Plan (SAP). External partners surveyed by MOPAN agree that IFAD designs and supervises the projects that it finances in ways that increase the likelihood of project sustainability.

IFAD has internal standards to track implementation speed but continues to face issues related to disbursement and implementation speed. Two key metrics, time from concept note to approval (months) and time from project approval to first disbursement (months), are tracked in the RMF (IFAD, 2020a). These two indicators are key determinants of project implementation speed and overall performance. While both indicators have improved, as mentioned in KPI 4, IFAD is still below its own targets. Similarly, since 2018, IFAD has seen its disbursement ratio fall from 19.1% in 2018 to 15.8% in 2021. IFAD also has disbursement rates which may be optimistic and unrealistic. As such, IFAD is in the process of reviewing disbursement profiles for various types of projects and plans to take appropriate actions based on this review process. It is important to recognise that these delays are affected by external factors such as the COVID-19 pandemic, the challenging contexts in which IFAD works and lengthy parliamentary procedures for loan ratification. The MOPAN external survey indicates that most stakeholders that have opinions or knowledge strongly agree or agree that IFAD adapts its work as necessary when the context changes.

KPI 6: Working in coherent partnerships directed at leveraging and catalysing the use of resources.

Satisfactory

2.94

IFAD's decentralised country offices are playing a key role in supporting partnerships. As previously noted, the most tangible short-term benefit of Decentralisation 2.0 has been deeper engagement with national governments and development partners. In particular, collaboration with other donors and with the Rome-based agriculture-related agencies (Food and Agriculture Organisation and World Food Programme) has improved at the country level as a result of locating IFAD operational staff to country offices. In addition to staff in the field, IFAD's partnership framework is directed at systematically developing partnership arrangements with interested donors, non-governmental organisations, and governments which have strategies and priorities that are closely aligned with IFAD. In the previous MOPAN assessments, IFAD's partnership activities were complemented as being extensive but criticised as often ad hoc and not strategically focused. This assessment finds that, since the last MOPAN assessment, IFAD has taken significant steps towards developing more strategic partnerships that align more closely with its unique strengths and the collective impact it can bring. However, opportunism and personal relationships will always be part of the partnership process. The MOPAN external survey underscores this positive development, with a majority of respondents expressing strong agreement that IFAD engages in partnerships based on a clear understanding of its distinctive advantages within specific thematic or sectoral domains. It is important to note that IFAD, being a relatively small IFI, operates with more limited resources, capacity and influence in developing partnerships compared to larger multilateral development banks (MDBs). This recognition is crucial, as IFAD's resources are modest in comparison to the scope, ambitions and intricacies of its objectives. Expanding partnerships that are strategic and directly relevant to IFAD's niche and mandate will remain a pivotal aspect of IFAD's strategy moving forward to maximise impact.

IFAD adapts and re-programmes projects to respond to the changing external environment. As part of IFAD's COVID-19 response, projects were restructured to respond to immediate needs. In addition, IFAD offered support through its Rural Poor Stimulus Facility to complement repurposed activities. Central to these efforts was close collaboration with governments. Beyond COVID-19, IFAD has procedures and a track record of restructuring projects to enhance or meet initial results targets and achieve impact.

IFAD applies a comparative advantage lens at both the country and global levels when considering global- and country-level partnerships. IFAD guidance considers human resources, capacity, know-how, financial resources and commitment when evaluating the suitability and relevance of partnerships. Given the importance of resource mobilisation, much of the guidance is directed at the COSOP and project level to support staff in identifying suitable partners for co-financing.

IFAD supports regional development partnerships between countries, guided by regional strategies and regional pilot projects. IFAD and its fellow Rome-based agencies (RBAs) launched the Joint Sahel programme in response to the challenges of COVID-19, conflicts and climate change. The programme seeks to contribute to the G5 Sahel strategy for development and security. In addition to those in West and Central Africa, regional projects are underway in Latin America and the Caribbean, East and Southern Africa, and Asia and the Pacific. Regional strategies can help guide these programmes. For example, LAC prepared several strategies, such as a white paper for 2022-27 and a regional partnership strategy. These efforts are also reinforced by IFAD's strategic approach to design larger projects, given the relatively high fixed cost per project.

IFAD has set clear goals to leverage resources and avoid duplication. IFAD has a strong record of mobilising co-financing from both international and domestic partners. IFAD has often exceeded its targets. As of 2023, IFAD mobilised almost USD 2 for every USD 1 of IFAD's core resources. IFAD's decentralised staff and consequent engagement with local and international partners are central to these successes. Its co-financing strategy and action plan guide these efforts. The practice of sharing COSOPs with partners helps prevent duplication and ensure effective collaboration. Beyond co-financing, IFAD has also increased its ambition for leveraging its balance sheet with a target of 29% for IFAD13.

Despite good intentions, IFAD has yet to participate in joint monitoring and reporting with key development partners. IFAD has not undertaken joint assessments. However, engaging in joint assessments or monitoring may not always be appropriate as it may not necessarily lead to increased efficiency and effectiveness for all stakeholders. Even among RBAs, joint monitoring has been complicated, despite intentions of close collaboration and shared learning. A key barrier has been the lack of shared results frameworks and indicators, in all three agencies, against which they could monitor progress (IOE, 2021a). Nevertheless, RBAs are piloting three joint country strategies and are in the process of developing monitoring plans for them. A 2021 joint evaluation by all three (RBA) evaluation offices noted that there are several barriers in each agency's "official systems, and procedures to promote and coordinate RBA collaboration add little value, frustrating staff more often than they inspire them" (IOE, 2021a: 77). High-level commitments to RBA collaboration were found to vary at different levels and within agencies but insufficient resources are provided for RBA collaboration. The evaluation found that RBA collaboration has improved sharing of knowledge and learning. Staff do not need specific guidance to identify ways of collaborating on advocacy initiatives, projects and sharing expertise – it is a natural part of their current ways of working. The evaluation concludes that when considering the development of joint programmes it is important to carefully assess the costs and benefits of the collaboration and to make a strategic decision to partner when benefits are greater than the costs. While the joint management response did not agree with all the findings and conclusions, management did agree to allocate budgetary resources for collaboration. The evaluation demonstrates the challenges of joint monitoring, even for agencies that share the same thematic focus as IFAD. Furthermore, it highlights that it should not automatically be assumed that RBAs are always the most suitable partners. Depending on specific circumstances and country contexts, other IFIs and other UN agencies can be more appropriate partners for IFAD.

IFAD has an established disclosure framework to make numerous documents available to the public. Disclosure is supported by a clear policy on disclosing documents, particularly documents provided to the Board and independent evaluations. IFAD makes many documents available on its website and the International Aid Transparency Initiatives (IATI) Open Data Portal. According to the 2022 RIDE, IFAD's comprehensive reporting from 2019 to 2021 to IATI was 86% (above the target of 75%) (IFAD, 2022d). Individuals can also request restricted documents through a clear and timely process for those not publicly disclosed.

Consultations with beneficiaries are required throughout the IFAD project cycle. Consultations are expected to be inclusive and aim to provide opportunities for all stakeholders to participate and identify their needs, which are then considered. While IFAD is required to engage with stakeholders throughout the project cycle, two central touchpoints

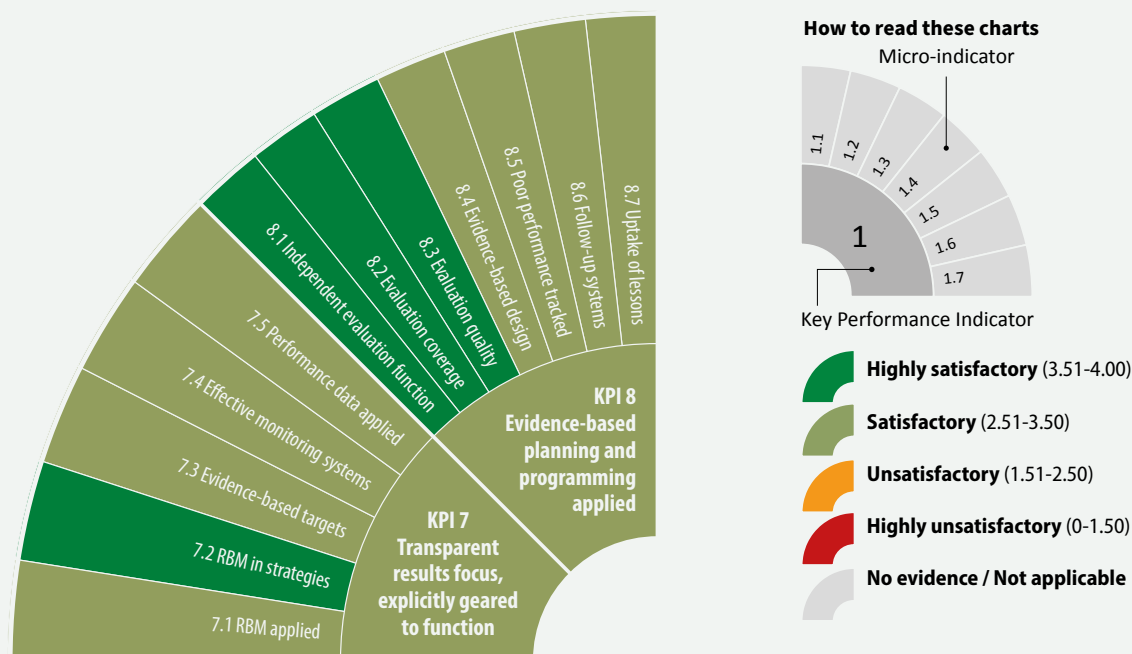
are at COSOP and project design stages. Accordingly, in 2019, IFAD developed a framework for operational feedback from stakeholders to further strengthen consultation with beneficiaries during these processes (IFAD, 2019b). As part of project implementation, SECAP procedures require a Stakeholder Engagement Plan (IFAD, 2021c). Importantly, subject to the environmental and social impacts of the project, additional consultations may be required in line with SECAP and, if relevant, country legislation. These requirements support inclusive and beneficiary-focused ways of working.

IFAD employs a structured approach to evaluating the progress of its projects and country strategies. This is primarily completed through MTRs, which are conducted jointly with the relevant national government. These reviews serve to assess the progress made in implementing projects and country strategies, and they also provide an opportunity for both IFAD and the government to collaboratively analyse the outcomes and identify any necessary adjustments. While MTRs are the primary mechanism for mutual assessments, IFAD's guidelines acknowledge the possibility of forming joint review teams for Project Completion Reports (PCRs). However, the frequency and depth of mutual assessments outside of MTRs appear to be limited. Nevertheless, beyond mutual assessments, IFAD engages actively with UN country teams in countries with an IFAD staff presence. Interview evidence shows that CDs located in the country or having a physical office have deeper engagement with other partners, which are almost always in-country, than those based in MCOs or in IFAD headquarters. In addition, IFAD also engages and, in some countries chairs, agricultural co-ordination committees.

In 2019 IFAD revised its Knowledge Management Strategy (2019-25). The strategy aims to “improve IFAD's ability to generate, use and share the best available evidence and experiential knowledge to achieve higher quality operations, and greater visibility and influence in the global development community” (IFAD, 2019b: iii). The responsibility for overseeing and leading the implementation of this strategy rests with the Associate Vice-President of the Strategy and Knowledge Department. Implementation of the strategy is managed by the Knowledge Management Unit, which is housed within the SKD front office. The interdivisional Knowledge Management Coordination Group plays a role in co-ordinating and facilitating the implementation efforts. The strategy highlights knowledge use as a key action area. IFAD has tools and data to understand past results and the skills to use these to inform further dissemination activities and new products. The Mid-Term Review of the strategy highlighted that IFAD broadly focuses on processes rather than substantive knowledge that IFAD could use to inform policy. This is an area of progress and development since the last MOPAN assessment. The content of IFAD's Knowledge Management System is focused on the knowledge gained from IFAD's own country and project work. Evidence from the MOPAN external survey suggest this is widely appreciated. More recently, knowledge available from other sources is being included within the system. Expanded partnerships with other institutions on knowledge management would further enhance the content and use of the system.

PERFORMANCE MANAGEMENT

FIGURE 12. KEY FINDINGS ON IFAD'S PERFORMANCE MANAGEMENT



IFAD's performance management is rated as satisfactory. IFAD has a strong focus on results, as demonstrated through its Results Management Framework (RMF), which is revised every three years and fine-tuned in consultation with member states. The RMF has three tiers which are based on clear pathways and logic. To ensure coherence and linkages, projects and COSOPs are linked to the RMF. Sectoral strategies are also aligned and linked to the RMF, which typically tracks high-level targets.

The RMF has improved over the last five years through fine-tuning. IFAD's IOE has identified some areas of improvement within IFAD's Impact Assessment (IA) methodology, including reducing reliance on self-reported data and sampling approaches. In common with many other IFIs, IFAD's IAs use self-reported data. IFAD's IAs also apply innovative methods of GIS satellite imagery and remote sensing data to inform and strengthen the quality of assessments. IFAD's Research and Impact Assessment (RIA) Division recognises the limitations of self-reported data and has taken steps to modify and strengthen its approach for IFAD12. IFAD's Operational Policy and Results Division (OPR), in co-ordination with other divisions, is leading the implementation of a project-level M&E action plan that seeks to improve the quality of project M&E reporting data.

IOE is an independent evaluation function that reports directly to the Executive Board. To ensure independence of evaluation activities, IOE and its Director have the authority to make personnel and operational decisions with IOE, set its work plans and manage its resources. Importantly, IOE consults with management and the Executive Board on work plans to ensure usefulness.

IOE has a strong commitment, via its policy, to ensure coverage, quality and use of findings. Lessons and takeaways alongside non-IOE lessons learned inform new designs. Unfortunately, there is no central system to search for IOE lessons and non-IOE lessons. In addition, there is no evidence to show that lessons learned are systematically informing future interventions.

At the corporate level, all evaluations have a management response to support the use of findings and accountability. In the response, management outlines which of the recommendations it will implement and how it will do so. These are then tracked by a dated President’s Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). Management has committed to updating the PRISMA with a web-based real-time monitoring system.

The **performance management** performance area assesses the existence of systems geared to managing and accounting for development and humanitarian results and the use of performance information, including evaluation and lesson-learning. This area is assessed through the two key performance indicators specified below:

KPI 7: Strong and transparent results focus, explicitly geared to function.

Satisfactory	3.28
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IFAD’s commitment to results-based management (RBM) is outlined in its replenishment commitments and current strategic framework. Since the IFAD7 replenishment in 2005, IFAD has reaffirmed its commitment to a results culture through its Results Management Framework (RMF). The RMF has undergone significant changes as it has been fine-tuned over the years to reflect commitments. COSOPs and projects also apply the RBM approach by clearly linking their ToC with corporate RMF and respective tracked indicators. To support uptake, IFAD has developed guidance for staff in setting targets and using and developing indicators (IFAD, n.d.d). However, IFAD lacks dedicated e-Learning modules on the RBM approaches and methods. The Operational Results Management System (ORMS) is sufficiently resourced and – based on needs – budgets for supervision missions, including data collection, are adjusted based on project risks and location.

Like RBM’s alignment with programme and planning, IFAD strategies are based on an RBM focus and logic. COSOPs are required to link their ToC with the RMF. Each sectoral strategy contains a ToC and a results framework. Sector strategies, such as the Strategy and Action Plan on Environment and Climate Change 2019-2025, have two targets embedded in the RMF (IFAD, 2018d). Importantly, the RIDE discusses sectoral strategies’ performance against indicators and targets. The RIDE also provides insightful details on deviations in targets and general context. Overall, these data points and context help shape consultations with member states from the targets to areas of focus of these strategies.

Targets and indicators are based on sound evidence, causal pathways and logic. Since IFAD10, all RMFs are based on a ToC in which operational pillars (Tier 3) support development impact and results (Tier 2), which in turn supports SDGs (Tier 1). Indicators are relevant to expected results and have specific instructions on measurement at the project level to ensure quality. This allows IFAD to aggregate them into its corporate RMF to measure against its targets. Projects are required to set baselines and targets at the project level, but these can be changed in response to changes in project design, the external environment or needs. Baselines are informed by values measured in previous cycles. Despite clear guidelines on indicators and targets and strong consultation requirements, it is not clear if and how IFAD consults with beneficiaries on setting targets.

Indicators in the RMF that are reported on - on the basis of the IAs- are part of the Tier 2 indicators. IAs rely on the outreach numbers from ORMS to estimate the Tier 2 indicators that IFAD reports on, which are entirely based on the data from ORMS. Impact estimates are derived from IFAD’s IA methodology that relies on household survey data collected from both beneficiaries and comparison households. IFAD has clear and appropriate measures and frameworks for IAs. The majority of IFAD’s impact level indicators are informed by IA data. While ORMS is adequately supported and resourced, IOE flagged some concerns about the data quality of the 2019-21 IAs through its review and analysis of IFAD11 IAs (IOE, 2023c). In its internal review of these IAs, IOE has raised concerns about the use of project

M&E reporting data. and extrapolating results from a sample, without adequately considering the diverse nature of interventions and better contextualising findings. These are common challenges for global results measurement methodologies including many SDG indicators and wider data collection for IAs across IFIs. IFAD is addressing concerns raised by IOE on sampling through using a stratified random sampling by region to identify projects for the IFAD12 IAs. To strengthen the rigour of IAs, IFAD currently uses innovative methods of research including GIS satellite imagery data and remote sensing data. Given the need to further improve data quality and as part of implementing the Data Governance Policy, which was approved by the Executive Board in December 2022, efforts to enhance the quality of outreach numbers estimated and captured through ORMS are underway.

IFAD uses data to inform its planning and decision making. In response to IFAD’s project efficiency ratings that are below management ambitions and targets, IFAD11 included several measures to improve project efficiency, such as creating the Pre-Financing Facility. This facilitated project start-up activities and increased the timeliness of IFAD Client Portal responses to requests. IFAD also uses data to identify problem projects and proactively restructure them. The RMF is regularly updated, and IFAD uses IOE’s data and findings to inform dialogue with its partners as part of the COSOP process.

KPI 8: Evidence-based planning and programming applied.

Satisfactory

3.38

IOE is independent of IFAD management, directly reports to the Executive Board and manages its resources independently within the limits of a Board-approved budget. The latest evaluation policy, in 2021, and an external peer review reaffirmed IOE’s independence. IOE reports to the Executive Board to ensure operational independence (IOE, 2021a). The IOE Director directly reports to the Executive Board. Per its policy, the Evaluation Committee plays a key role in appointing and terminating the Director, adding an additional layer of independence. The committee is also responsible for examining IOE’s strategy, methodology and work programme more closely. Furthermore, the Director has the authority to make personnel and operational decisions within IOE. Like the administrative budget, core resources fund IOE’s budget.

While IOE has full discretion in deciding its evaluation programme, IOE does consult with management and the Executive Board to maximise the usefulness of its findings. IOE validates all project self-evaluations. In addition, IOE annually conducts five Country Strategy and Programme Evaluations (CSPEs) and a set number of corporate-level and thematic evaluations based on consultations with management and the Board. Although IOE is under no obligation to share evaluation reports with management, before presenting them to the Board, it does so to identify and correct any factual inaccuracies (IOE, 2021b). These interactions and others, such as consultations, help enhance ownership and the chance of greater uptake.

IFAD’s evaluation policy describes principles to ensure the coverage, quality and use of findings. The policy is complemented by an evaluation manual that guides the implementation of different types of evaluations. IOE has nine different types of evaluations, two of which are new, providing it with an expanded range of products to select based on consultations with management and the Board. In addition to its manual and policy, IOE has a strategy that is to operationalise its policy and provide guidance over the medium term. On an annual basis, IOE produces an evaluation programme and corresponding budget that touches on the evaluations it will undertake or finish each year. Through its CSPEs and sub-regional evaluation, IOE can ensure country-level coverage. IOE presents the evidence, findings, conclusions and recommendations of its evaluations in a balanced and complete way.

IOE has systems and procedures in place to ensure the quality of its evaluation. Furthermore, according to The Quality of Official Development Assistance (QuODA), IFAD, in 2021, was ranked fourth among development institutions

for its high-quality evaluation systems (CGD 2021). To ensure high-quality evaluations, IOE uses appropriate data collection, analysis and interpretation methodologies. Furthermore, the Evaluation Manual (IFAD, 2021b), which guides the development of methodologies and implementation of evaluations, has been updated several times and reflects discourse in contemporary evaluation literature. The manual also notes that evaluations must carefully consider their associated limitations and the trade-offs with other methodologies. These limitations are raised and referenced in the approach paper for evaluations. The approach paper and final evaluation reports are peer-reviewed before distribution.

New projects and COSOPs are required to demonstrate how lessons learned informed the designs but are limited by reviewers' knowledge of lessons learned. All projects and COSOPs have a dedicated section on lessons learned from past COSOPs, projects and IOE's analysis. While both documents have clear requirements, the ease at which lessons learned can be accessed varies significantly, especially as they relate to new project designs. Within ORMS, IFAD has a search function to allow staff to search lessons learned from previous projects and COSOPs. In addition, COSOP can typically rely on IOE's CPSE to provide lessons learned. However, there is no equivalent search function for IOE lessons learned for project designs. The Quality Assurance Group (QAG) reviews lessons as part of the quality assurance process to ensure lessons are learned. Interview evidence shows that QAG is limited because its members are unaware of all lessons learned, thus posing a risk that QAG's reviews may not take into account all lessons learned.

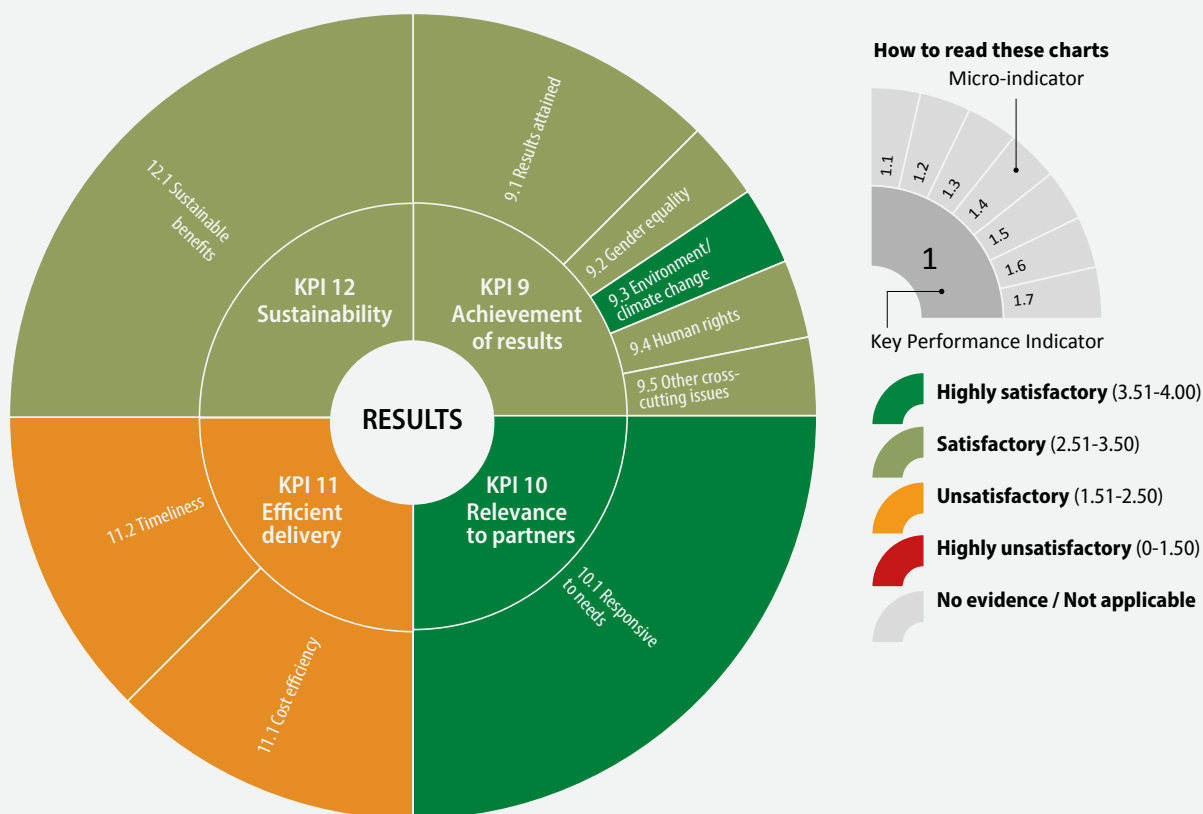
As part of its supervision process, IFAD identifies and addresses poorly performing projects. A project performance rating, which is assigned at each supervision mission, informs the status of a project. IFAD has an automatic notification system that alerts CDs of a poor-performing project. In addition, poor-performing projects also require additional missions and the development of a Performance Improvement Plan (PIP). After the PIP, IFAD more frequently tracks projects and provides quarterly updates. The lead role for PIP development is the responsibility of the CD, who is supported by the PTL and rest of the team. ORMS assigns the responsibility of completing the PIP to the CD.

All evaluations have management responses to support accountability. These responses touch on the high-level conclusions and recommendations outlined in the report. Management responses also touch on whether or not management will take up IOE's recommendations. Most management responses to IOE include a commitment to implement some or all recommendations. Despite management uptake of recommendations, the current public tracking mechanism, PRISMA, is weak and needs an update. Currently, there is no timeline for the implementation of recommendations. Management has committed to rolling out a new PRISMA which allows for real-time tracking of management's implementation of recommendations and their timeliness.

IOE has a repository of evaluation reports on its website, including recommendations from 2001. The repository houses six products. Each evaluation has its own specific dissemination approach, often with a specific audience in mind. For instance, after a CSPE, national workshops are held with stakeholders and regional divisions to spur further conversations, providing the basis on which IOE produces communication material and shares findings on its website and in its newsletter. As mentioned earlier, lessons learned from these evaluations are meant to be incorporated into new designs. Still, there are no data on the share of project appraisal teams doing so, and there is no equivalent search function similar to ORMS.

RESULTS

FIGURE 13. KEY FINDINGS ON IFAD'S RESULTS



Relevance is highly rated among the four project performance criteria. These high ratings reflect IFAD's strong commitment and processes to ensure alignment with country and beneficiary needs. Even amidst changing circumstances such as the COVID-19 pandemic, IFAD's ability to maintain and demonstrate relevance in its projects underscores its adaptability and responsiveness to emerging challenges. This adaptability is crucial as the global community faces complex issues like climate change, heightened food insecurity, increased conflicts and persistent hunger.

IFAD's effectiveness ratings are generally satisfactory and, in the case of climate change, highly satisfactory. While IFAD's effectiveness is rated satisfactory, the organisation has seen a mixed performance with project effectiveness ratings between 2018 and 2022. Management, in the RIDE, reports slight improvement, whereas IOE, in its Annual Report on the Implementation of Evaluation (ARIE), shows a decline.

IFAD's results show an improvement in women's empowerment which contributes to gender equality. Gender equality PCR ratings show that IFAD has met its IFAD11 target of 90% of projects rated moderately satisfactory or above but have fallen short of the target for projects satisfactory or above. Many recommendations from IAs and PCRs that measured women's empowerment and gender equality emphasise the need for IFAD to do more in terms of investments that are gender transformative.

Climate change and environmental and natural resource management (ENRM) are IFAD's highest-performing areas. Both have consistently exceeded targets reflecting the significant amount of resources, staff and commitment from IFAD. IOE and management show similar positive trendlines.

While IFAD exceeded four out of its five IFAD11 impact targets, it did not achieve the nutrition target of 12 million people with improved nutrition. Instead, IFAD only met 5% of this target. This reflects a lack of realism within the ambition and wider global experience of the timeframe for achieving nutrition-related results. The other cross-cutting issues have clear targets, indicators, and plans to support IFAD in mainstreaming them. IFAD's more recent focus on newer cross-cutting issues including disability inclusion limits available results data.

Project-level and operational efficiency remain challenges for IFAD. While ratings have improved since 2017, they are still below the IFAD11 targets. To improve project-level efficiency, IFAD has committed to adopting an action plan to target key areas that have limited efficiency.

Similarly, IFAD also faced issues with the sustainability of benefits during the assessment period. This partly reflects the challenging target groups which IFAD aims to support, the challenging external environments in which the organisation works and the context of the COVID-19 pandemic. However, more recently, IFAD has seen considerable improvement in this area, and IFAD plans to tackle issues relating to sustainability through a sustainability action plan.

The **results performance** area explores to what extent relevant, inclusive and sustainable contributions to humanitarian and development results are achieved in an efficient manner. This area is assessed through the four key performance indicators specified below:

KPI 9: Development and humanitarian objectives are achieved, and results contribute to normative and cross-cutting goals.

Satisfactory

3.12

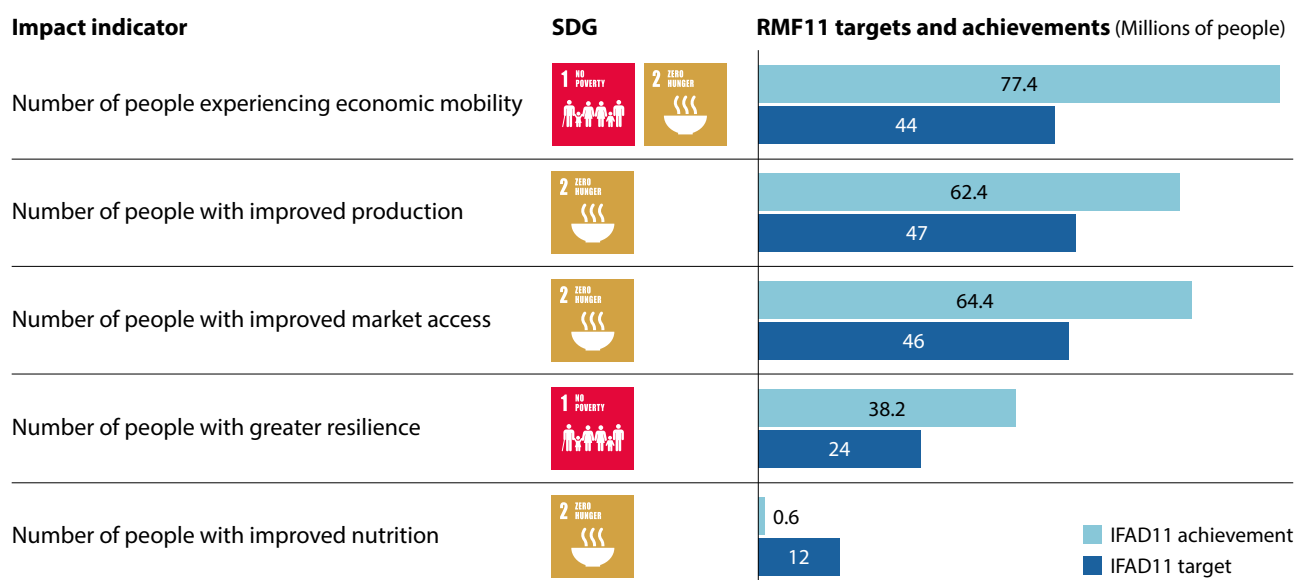
IFAD has exceeded four out of the five IFAD11 impact targets that primarily support IFAD to report progress in relation to SDGs 1 and 2 (Figure 1). The only target it did not achieve is related to nutrition. The targets cover improved production, resilience, nutrition, economic mobility and market access. They are also directly related to the Leave No One Behind agenda. With the exception of nutrition, IFAD exceeded its other targets by large margins. In support of SDG 2, IFAD improved the productive capacities of 62.4 million beneficiaries, significantly exceeding the target of 47 million people. Similarly, IFAD projects led to 64.4 million people benefiting from market participation against a target of 46 million, showing a significant exceeding of the target.

In IFAD11, IFAD helped improve the nutritional status of only 600 000 people. IFAD acknowledges that the nutrition target was over-optimistic and that additional efforts need to be made to establish realistic and better-aligned targets, particularly in challenging contexts where there is limited baseline data to inform the setting of targets. IFAD also expects results to take longer to materialise – in IFAD14 when IFAD11 projects close. However, better results may be visible in later years depending on the ongoing impacts of the war in Ukraine and developments in the external environment.

At the outcome level, IFAD project effectiveness has been stable, with limited change in project effectiveness ratings between 2011 and 2020. The trend is similar in both self-validated and IOE-validated results except for the end of the period (2018-20). Between 2017-19 and 2018-20, IOE's effectiveness ratings fell from 80% moderately satisfactory or higher (MS+) to 74%. Management's rating shows a positive trajectory between 2018-20 and 2019-21 (IFAD, 2022d).

At the country level, the 15 CSPEs that were completed between 2019 and 2022 had an average effectiveness rating of moderately successful: 4.14. All country portfolios except for Mexico were rated MS+. CSPEs also rated non-lending activities, including knowledge management, partnership building and country-level policy engagement. Figure 15 shows that, since 2017-19, all non-lending activities saw an improvement in the share of projects rated MS+.

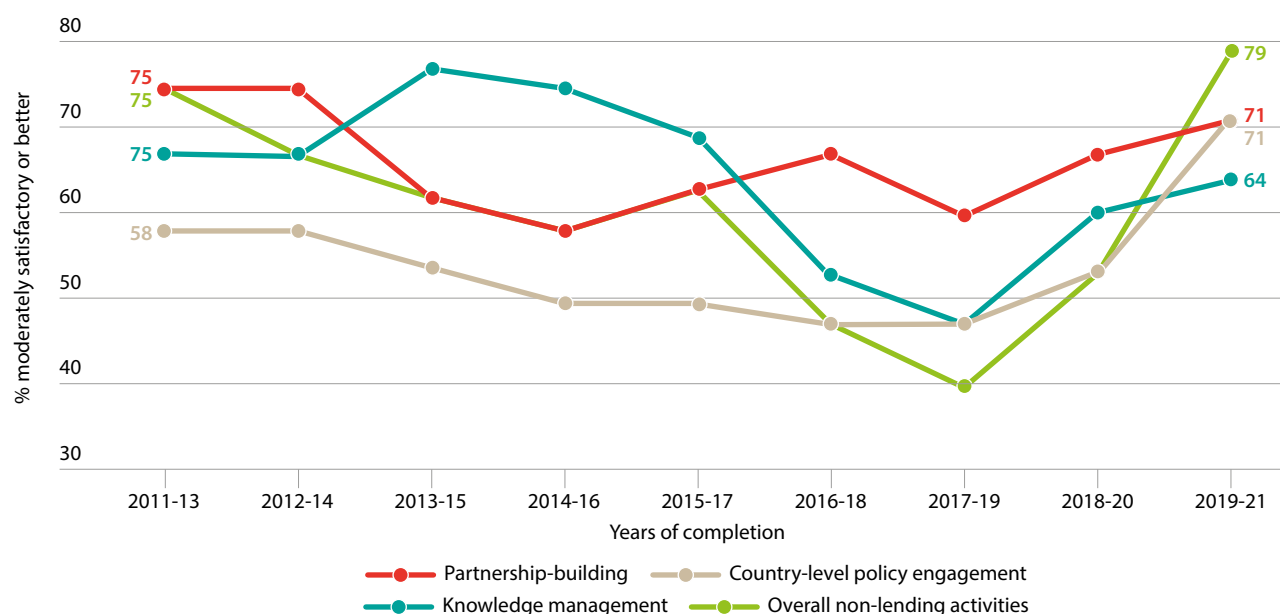
FIGURE 14. IMPACT RESULTS FOR IFAD11



Source: IFAD, 2022, Report on IFAD’s Development Effectiveness 2022

FIGURE 15. IFAD’S PERFORMANCE OF NON-LENDING ACTIVITIES

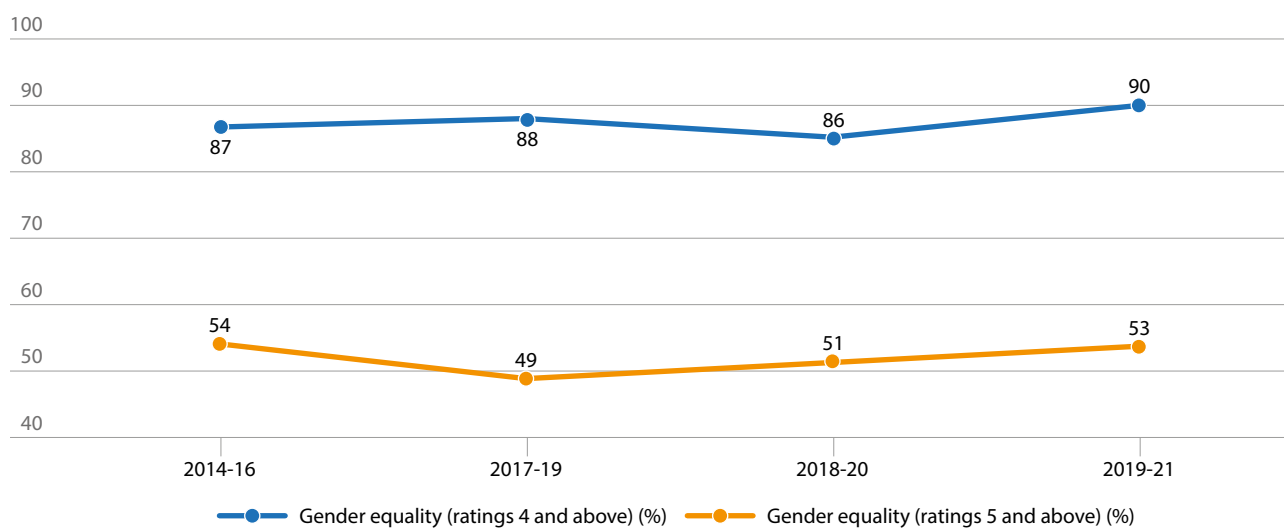
Percentage of country evaluations rated moderately satisfactory or better in 2011-21 (by year of evaluation)



Source: IOE CSPE database as of April 2022 (49 evaluations conducted between 2011 and 2021)

During the assessment period, there were mixed PCR ratings and impact for gender equality and women’s empowerment. IAs found an improvement in women’s empowerment in decision making but notably saw a statistically insignificant impact on women’s ownership. Similarly, RMF data for IFAD11 show a large share of projects rated moderately satisfactory and above on gender equality but below target performance for satisfactory and above. During IFAD11, 53% of projects were rated as satisfactory or above (S+) for gender equality (Figure 16). This fell short

FIGURE 16. IFAD'S PCR RATINGS FOR GENDER EQUALITY, 2014-21



Source: IFAD, 2022, Report on IFAD's Development Effectiveness 2022

of the 60% target (IFAD, 2022d). However, IFAD met its IFAD11 target of 90% rated MS+ which was above the IFAD10 (2016-18) baseline of 84% (according to PCR ratings). The RIDE attributes the slight improvement to an increase in the number of gender action plans for projects, although IFAD recognises that only some projects have comprehensive plans. IOE's ratings generally follow the same MS+ trendlines. The data show the need to further mainstream gender within IFAD's project designs with an emphasis on gender transformative approaches rather than only including women as beneficiaries. IFAD is committed to strengthening its application of gender transformative approaches within IFAD-13.

Among all the cross-cutting issues, climate change and environmental sustainability is the highest-performing area. During IFAD11, management rated 96% of the projects as moderately satisfactory or higher on ENRM compared to the 90% target (IFAD, 2022d). In terms of adaptation to climate change, 92% of the projects were rated as moderately satisfactory or higher compared to the 85% target. IOE ratings also indicate that IFAD's performance increased in these areas but they were not as significant as in management (self-reported) ratings. IFAD's performance in both areas reflects relatively well-resourced staff posts and budgets coupled with the effective application of lessons learned.

Sufficient evidence is not available to assess IFAD's contribution to supporting youth, disabled people and indigenous peoples.

KPI 10: Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate.

Highly satisfactory

4.00

Relevance remains the highest rated of the four project performance criteria. Interventions and country strategies are generally highly relevant to the needs, policies and priorities of beneficiaries, countries, and IFAD. This achievement is notable, as external environments such as the COVID-19 pandemic have led to challenging and changing needs. Relevance ratings remained high throughout the assessment period. The latest period, 2018-20, shows that 86% of projects had moderately satisfactory or better ratings. Moreover, the gap between PCR and IOE ratings for relevance is narrowing. IOE's synthesis of infrastructure at IFAD between 2001 and 2019 highlighted the relevance and effectiveness of IFAD's investments and found that they contributed to poverty reduction in developing

countries (IOE, 2021a). During that time period, the majority of funding supported production and market access infrastructure. Institutional development supported smallholder farmers to manage and maintain the infrastructure. IOE’s thematic evaluation of IFAD’s support for smallholder farmers’ adaptation to climate change demonstrates the relevance of IFAD’s activities. All 20 case studies that were included in the evaluation were rated as moderately satisfactory or higher (IOE, 2023c).

KPI 11: Results are delivered efficiently.

Unsatisfactory

2.00

IFAD’s efficiency ratings consider both time and cost in the same rating. While project efficiency ratings have improved since 2017, they fall below IFAD’s targets. Project efficiency is a common challenge for many IFIs and UN agencies. Among the four project performance criteria, efficiency is the lowest performing. The calculation of the economic rate of return is undertaken by IFAD in PCRs and MTRs. Efficiency represents challenges for IFAD as it seeks to scale up its successful projects. Between 2017-19 and 2019-21, efficiency ratings increased from 65% to 76% of projects rated as 4 or above. According to analysis of PCRs for IFAD11, the share of projects rated moderately successful or higher for efficiency was 76%, 4% below the IFAD11 target of 80% and slightly below the baseline of 77%. IOE ratings, although more conservative, also show the increasing trend (IOE, 2022a).

While efficiency ratings within IFAD’s PCRs consider both economic rate of return and timeliness, 15 CSPEs completed between 2019 and 2022 provide more granular details on the source of poor efficiency. It is important to acknowledge that these projects do not represent the performance of the current portfolio of IFAD. Thirteen of the 15 portfolios reviewed attributed weak efficiency to delays. Four portfolios which flagged high costs also attributed efficiency issues to delays. The large share of delays in CSPEs falls in line with wider issues of average time until the first disbursement and concept note to approval, both of which management has found are determinants of overall project performance and implementation speed. To address these issues, IFAD management has developed and adopted the IFAD Action Plan for Project Level Efficiency (IFAD, 2021b). The plan covers the entire project cycle. The 2021 Annual Report on the Independent Evaluation of IFAD (ARRI) notes that national government capacity and performance is closely linked with efficiency outcomes, and the IOE synthesis of government performance in IFAD-supported operations between 2010 and 2020 (2022b) also highlights that capacities and resources mobilised by government are key drivers of efficiency and the performance of project management. This is a particular challenge in many of the contexts in which IFAD works. As part of commitments made under IFAD12, IFAD has developed and adopted an Action Plan for Project Level Efficiency. Key improvements will be sought in the design process, project procurements, risk-based assurance framework, M&E and capacity for adaptive management, and the results focus of projects.

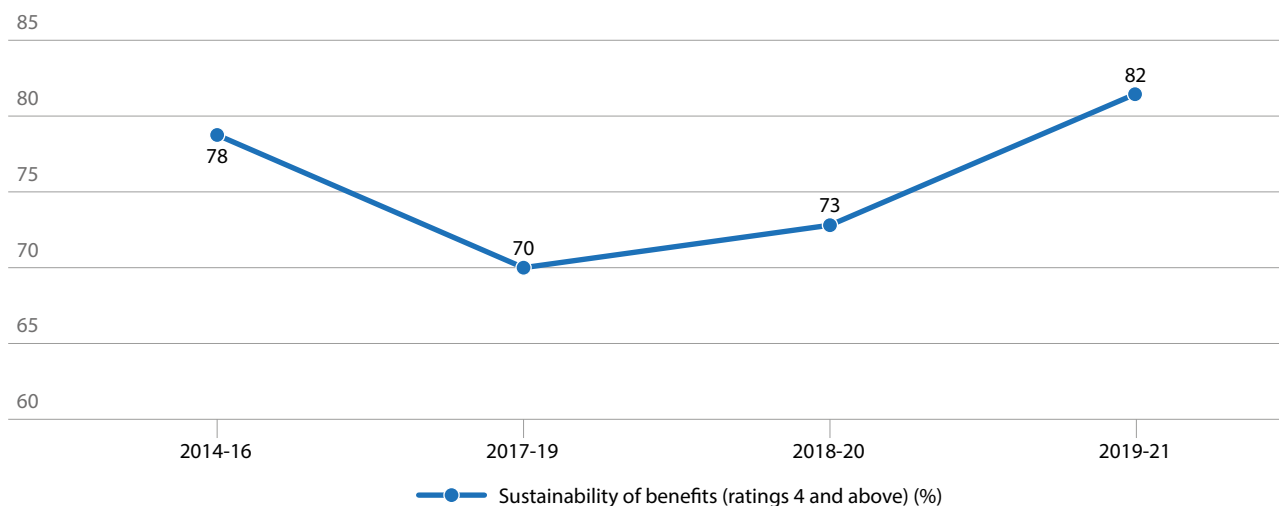
KPI 12: Results are sustainable.

Satisfactory

3.00

IFAD recognises the importance of having a clear exit strategy for its projects to ensure their long-term sustainability and impact. An exit strategy is required as part of all IFAD design documents, and it is expected to evolve and adapt throughout project implementation based on changing circumstances and lessons learned. The assessment and review of project exit strategies are performed from MTR onwards. These requirements are outlined in IFAD’s project design, supervision and completion guidelines. While IFAD has made progress in terms of sustainability ratings since 2017, the COVID-19 pandemic and challenging operational contexts in which IFAD operates have presented additional complexities for ensuring the sustainability of project results. Despite these challenges, there has been improvement in the sustainability ratings of projects since 2018. According to Figure 17, the share of projects with sustainability of benefits rating of moderately satisfactory or higher increased from 73% between

FIGURE 17. IFAD'S PCR RATINGS ON SUSTAINABILITY OF BENEFITS, 2014-21



Source: IFAD, 2022, Report on IFAD's Development Effectiveness 2022

2018 and 2020 to 82% between 2019 and 2021. This is still slightly below the IFAD12 Replenishment target of 85% of projects achieving moderately satisfactory ratings of 4+ or higher (IFAD, 2022d). While IOE's sustainability ratings have been significantly lower than those provided by management, they confirm the general trends observed in PCR ratings.

The RIDE notes that exit strategies, policy engagement and the quality of Project Management Units (PMUs) were key drivers of sustainability. IOE confirmed these challenges in its ARRI. An evaluation synthesis of government performance in IFAD-supported operations between 2010 and 2020 (IOE, 2022b) notes that government ownership contributed to sustainability and scaling up in some countries but not in others, Institutional weaknesses of lead agencies often led to insufficient stakeholder engagement, resources which resulted in significant challenges to



Indonesia – The Development of Integrated Farming Systems in Upland Areas (UPLAND) – November 2022. Thanks to a new road being built with the support of the IFAD funded project in Cigadok, Cisolak, Subang, West Java, mangosteen, jackfruit and durian farmers will be able to access new markets and improve their income.

Photo: © IFAD/
Jefri Tarigan

sustainability. A review of CSPEs also confirms and details the sustainability issues, with a third of the portfolio flagging exit strategy issues ranging from no strategy to a poor exit strategy. As part of IFAD12, the Fund has committed and launched a sustainability action plan to address these shortcomings (IFAD, 2021b). The SAP also proposes actions around improving the integration of sustainability in IFAD project cycle operational tools and training and around monitoring sustainability across project lifecycles and interventions.

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ABOUT THE ASSESSMENT



THE ASSESSMENT APPROACH

The approach to MOPAN assessments has evolved over time to adjust to the needs of the multilateral system. The MOPAN 3.1 methodology, applied in this assessment, is the latest iteration.

Starting in 2020, all assessments have used the MOPAN 3.1 methodology,¹ which was endorsed by MOPAN members in early 2020. The framework draws on the international standards and reference points, as described in the MOPAN Methodology Manual. The approach differs from the previous methodology, 3.0 (used in assessments since 2015) in the following ways:

- Integration of the 2030 Sustainable Development Agenda into the framework.
- Two new micro-indicators (MIs) for the prevention and response to sexual exploitation and abuse and sexual harassment.
- The incorporation of elements measuring key dimensions of reform of the United Nations Development System (UNDS Reform).
- A reshaped relationship management performance area, with updated and clearer Key Performance Indicators (KPIs) 5 and 6, which better reflect coherence and which focus on how partnerships operate on the ground in support of partner countries (KPI 5) and how global partnerships are managed to leverage the organisation's resources (KPI 6).
- A refocused and streamlined results component.
- A change to how ratings (and their corresponding colours) are applied, based on scores defined for indicators. Compared to the previous cycles conducted under MOPAN 3.0, the threshold for a rating has been raised to reflect the increasing demands for organisational performance in the multilateral system. The underlying scores and approach to scoring are unaffected. This approach was already implemented in MOPAN 3.0* (2019 cycle).

MOPAN conducted annual surveys from 2003 to 2008 and used a methodology titled the MOPAN Common Approach during 2009-14. The MOPAN 3.0 methodology was first adopted for the 2015-16 cycle of assessments.

In 2019, MOPAN 3.0 was relabelled as MOPAN 3.0* to acknowledge a change in how ratings (and their corresponding colours) were aligned with the scores defined for indicators. Compared to previous cycles conducted under MOPAN 3.0, the threshold for ratings was raised to reflect increasing demands for organisational performance in the multilateral system. The underlying scores and approach to scoring remained unaffected.

In applying the MOPAN Framework, COVID-19 is also considered from three perspectives:

- how the organisation has leveraged its internal processes to respond to COVID-19 in an agile and flexible way
- the extent to which risk management frameworks contributed to a multilateral organisation's preparedness to respond to the crisis
- how COVID-19 has been reflected in the organisation's strategies, operations and results targets.

Table 9 lists the performance areas and indicators used in MOPAN 3.1.

¹ MOPAN 3.1 Methodology Manual, 2020 Assessment Cycle, http://www.mopanonline.org/ourwork/themopapproach/MOPAN_3.1_Methodology.pdf

TABLE 9. PERFORMANCE AREAS AND KEY PERFORMANCE INDICATORS

Performance area	Key performance indicator (KPI)
Strategic management	KPI 1: Organisational architecture and financial framework enable mandate implementation and achievement of expected results
	KPI 2: Structures and mechanisms support the implementation of global frameworks for cross-cutting issues at all levels, in line with the 2030 Sustainable Development Agenda principles
Operational management	KPI 3: Operating model and human and financial resources support relevance and agility
	KPI 4: Organisational systems are cost- and value-conscious and enable financial transparency and accountability
Relationship management	KPI 5: Operational planning and intervention design tools support relevance and agility in partnerships
	KPI 6: Working in coherent partnerships directed at leveraging and catalysing the use of resources
Performance management	KPI 7: Strong and transparent results focus, explicitly geared towards function
	KPI 8: Evidence-based planning and programming applied
Results	KPI 9: Development and humanitarian objectives are achieved, and results contribute to normative and cross-cutting goals
	KPI 10: Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate
	KPI 11: Results are delivered efficiently
	KPI 12: Results are sustainable

Source: MOPAN 3.1 Methodology Manual, 2020 Assessment Cycle,
http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf

APPLYING MOPAN 3.1 TO IFAD

Interpretations and adaptations to the methodology (when applicable)

This assessment has used the MOPAN 3.1 methodology, but the KPIs have been interpreted so as to be meaningful, given the specific mandate of the International Fund for Agricultural Development (IFAD).

Table 10 lists all indicators and elements that are proposed to be modified for this assessment. Efforts have been made to limit the number and extent of modifications.

The following amendments are proposed:

- modification of the cross-cutting issues (MIs 2.3, 2.4, 9.4 and 9.5)
- elimination of indicators not applicable to multilateral development banks (MDBs).

TABLE 10. AMENDMENTS TO KPIS, MIS AND ELEMENTS AND RATIONALE FOR THESE CHANGES

KPI/MI/Element	Rationale
MI 1.4: Financial Framework supports mandate implementation.	IFAD's bond issuance will be captured here as it will help implement its mandate.
1.4-E3: The financial framework is reviewed regularly by the governing bodies.	Refers to the specific process of graduation, in which IFAD regularly reviews the financial framework.
1.4-E4: Funding windows or other incentives in place to encourage donors to provide more flexible/un-earmarked funding at global and country levels.	Not relevant as most of IFAD's funding is flexible.
2.1: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for gender equality and the empowerment of women.	Interpreted to also include IFAD's systems, processes and context as it relates to gender equality and gender transformative agenda.
2.2: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for environmental sustainability and climate change.	Interpreted to also include IFAD's systems, processes and context as they relate to climate change, both from an adaptation and mitigation perspective, and environmental sustainability.
2.3: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for human rights, with a focus on protection of vulnerable peoples (those at risk of being "left behind").	Interpreted to also include IFAD strategic priorities and operational model. Modified to reflect IFAD specificities as IFAD addresses human rights in terms of vulnerability and resilience to shocks. In particular, will cover indigenous peoples and persons with disabilities.
2.4: Corporate/sectoral and country strategies respond to and/or reflect the intended results of normative frameworks for youth.	MI added to cover IFAD's inclusion of youth as a cross-cutting issue.
3.2: Resource mobilisation efforts consistent with the core mandate and strategic priorities.	Adapted to consider IFAD's different channels such as bonds and move balance sheet optimisation to risk management and efficiency.
3.2-E3: Resource mobilisation strategy/case for support seeks multi-year funding within mandate and strategic priorities.	Interpreted to also consider that IFAD's replenishment's multi-year nature could be considered as met by default.
3.2-E4: Resource mobilisation strategy/case for support prioritises the raising of domestic resources from partner countries/institutions, aligned to goals and objectives of the strategic plan/relevant country plan.	Interpreted to also include borrowing member states' contributions to replenishment and contributions to projects.
3.3: Resource reallocation/programming decisions responsive to needs can be made at a decentralised level.	Interpreted to also include IFAD's centralised decision-making process along with its decentralised preparation process.
3.3-E2: The policy/guidelines or other documents provide evidence of a sufficient level of decision-making autonomy available at the country level (or other decentralised level as appropriate) regarding resource reallocation/programming.	IFAD's regional and country offices will have to be considered here to understand their role in the decision-making process.
4.2-E4: Variances relate to external factors rather than internal procedural blockages.	Interpreted to also include condition precedents for disbursements and to consider whether these are properly defined to ensure delineation with internal vs external factors.
KPI 5: Operational planning and intervention design tools support relevance and agility within partnerships.	IFAD is at the early stage of its private-sector operations. Therefore, there is not sufficient evidence to evaluate it fairly. The assessments will focus on the realism of IFAD's private-sector strategy and the quality of the grants IFAD has provided to the private sector. KPI5 is the most appropriate KPI in which to incorporate private-sector operations.

KPI/MI/Element	Rationale
5.4: Detailed risk (strategic, political, reputational, operational) management strategies ensure the identification, mitigation, monitoring and reporting of risks.	Interpreted to also include IFAD's safeguard, SECAP.
5.5: Intervention designs include the analysis of cross-cutting issues (as defined in KPI 2).	Interpreted to also include additional cross-cutting issues as added in KPI 2.
6.1: Planning, programming and approval procedures enable agility in partnerships when conditions change.	Adapted to ensure that focus is on mechanisms in place that allow seizing opportunities from partnerships.
6.1-E1: Procedures in place to encourage joint planning and programming.	Adapted to capture roles of IFAD's country and regional teams and United Nations country office.
6.2: Partnerships based on an explicit statement of comparative or collaborative advantage, e.g. technical knowledge, convening.	Adapted to avoid duplication with 6.1 adaption, this MI will focus on the strategy level and cover selectivity of partnerships to avoid duplication.
6.4: Strategies or designs identify synergies with development partners, to encourage leverage/catalytic use of resources and avoid fragmentation in relation to 2030 Sustainable Development Agenda implementation.	Adapted to ensure consideration of relevant frameworks and better delineation of private and public challenges.
6.5: Key business practices (planning, design, implementation, monitoring and reporting) co-ordinated with relevant partners.	Adapted to focus on how IFAD co-ordinates with other MDBs and Rome-based agencies.
6.7: Clear standards and procedures for accountability to beneficiaries implemented.	Adapted to ensure a more systematic approach to consultations and grievance mechanisms.
6.9-E4: Knowledge products generated are timely/perceived as timely by partners.	Adapted to also include the processes to ensure that knowledge products are timely or perceived as timely by partners.
6.9-E5: Knowledge products are perceived as high quality by partners.	Adapted to also include the processes to ensure that knowledge products are perceived as high quality by partners.
8.3-E2: Evaluations use appropriate methodologies for data collection, analysis and interpretation.	Adapted to ensure the assessment examines specific validated reports for this element.
9.4: Interventions assessed as having helped improve human rights, with a focus on the protection of vulnerable people (those at risk of being left behind).	Interpreted to also include IFAD strategic priorities and operational model. Modified to reflect IFAD specificities as IFAD addresses human rights in terms of vulnerability and resilience to shocks.
MI 9.5: Interventions assessed as having helped improve youth.	MI added to cover IFAD's inclusion of youth as a cross-cutting issue.
11.1: Interventions/activities assessed as resource/cost efficient.	Adapted to use value for money as an indicator to measure this MI.
11.2: Implementation and results assessed as having been achieved on time (given the context, in the case of humanitarian programming).	Adapted to ensure that MI is examined not through humanitarian programming, which IFAD does not conduct, but timeliness of IFAD responses to emergencies and crises.

Lines of evidence

This assessment relies on three lines of evidence: a document review, a partner survey, and staff interviews and consultations. The assessment team collected and reviewed a significant body of evidence:

- **A document review:** This comprised publicly available documents published between 2019 and 2022 as well as guidelines and policies that are “current and in force”. They were limited to those in final form (not draft versions), recognised by management and available in English. The 164 documents reviewed included 19 evaluations and evaluation syntheses.
- **An online survey:** A total of 164 partners responded to the survey, a 35% response rate. The survey was conducted between 3 and 30 March 2023 (for more details, see Part II: Technical and Statistical Annex). Partners surveyed fall into the following categories:
 - IFAD’s Executive Board or Governing Council representative
 - IFAD List B and C country representative
 - IFAD List A country representative
 - Other external partners. This category includes United Nations Agencies, other peer organisations (MDBs), non-government donor trust funds, civil society organisations, producer organisations, and private-sector and knowledge partners.

The following countries were included in the survey: Bangladesh, Bolivia, China, Egypt, Honduras, India, Kenya, Mozambique, Niger, Senegal, the Republic of Türkiye and Uganda. The sample is comprised of three countries from East and Southern Africa and Asia and the Pacific each, with the remaining regions having two each. The sample includes two upper-middle-income countries, seven lower-middle-income countries and three lower-income countries. In addition, the sample includes two fragile and conflict-affected states countries.

- **Interviews:** These were undertaken virtually as follows:
 - headquarters interviews/consultations with 13 senior managers and 11 staff;
 - country/regional level interviews with 11 mid- to senior-level staff;
 - Executive Board interview with 4 members.

Discussions were held with the institutional lead of the IFAD assessment as part of the analytical process. These served to gather insights on current priorities for the organisation from the perspective of MOPAN member countries.

General information about the sequence and details related to these evidence lines, the overall analysis, and the scoring and rating process as applied to IFAD can be found in the MOPAN 3.1 methodology.

METHODOLOGY FOR SCORING AND RATING

The approach to scoring and rating under MOPAN 3.1 is described in the 2020 Methodology Manual, which can be found on MOPAN’s website.

Each of the 12 KPIs contains several MIs, which vary in number. The KPI rating is calculated by taking the average of the ratings of its constituent MIs.

Scoring of KPIs 1-8









The scoring of KPIs 1-8 is based upon an aggregated scoring of the MIs. Each MI contains several elements, which vary in number, that represent international good practice. Taking the average of the constituent scores per element, a score is then calculated per MI. The same logic is pursued at aggregation to the KPI level, to ensure a consistent approach. Taking the average of the constituent scores per MI, an aggregated score is then calculated per KPI.

Scoring of KPIs 9-12

The scoring of KPIs 9-12 is based upon a meta-analysis of evaluations and performance information, rated at the MI level and aggregated to the KPI level. For KPI 9, results against the mandate and contribution to cross-cutting results are given equal weight. KPIs 9-12 assess results achieved as assessed in evaluations and annual performance reporting from the organisations.

Rating scales

Whenever scores are aggregated, rating scales are used to translate scores into ratings that summarise the assessment across KPIs and MIs. The rating scale used under MOPAN 3.1 is shown below.

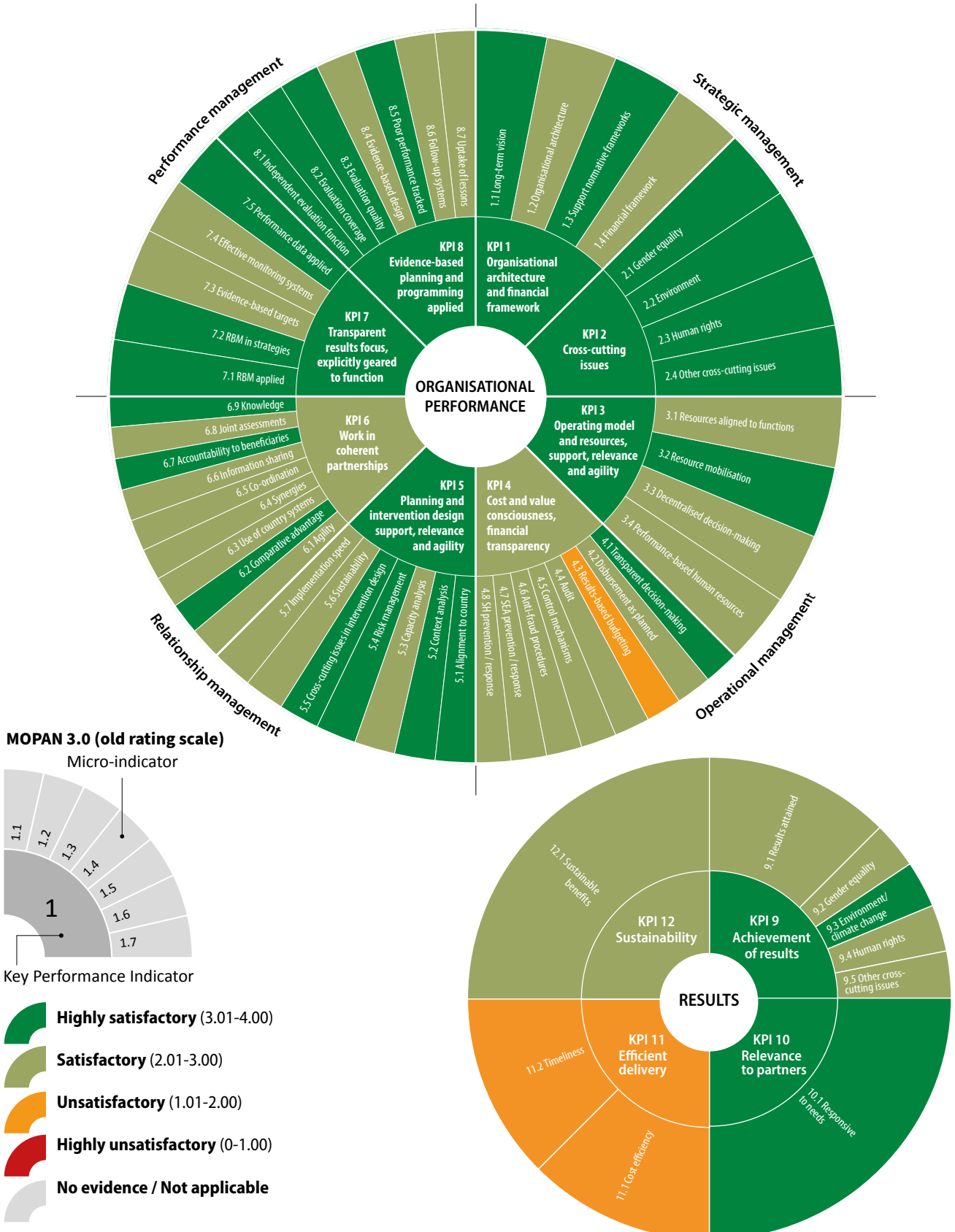
 Highly satisfactory (3.51-4.00)	 High evidence confidence
 Satisfactory (2.51-3.50)	 Medium evidence confidence
 Unsatisfactory (1.51-2.50)	 Low evidence confidence
 Highly unsatisfactory (0.00-1.50)	
 No evidence / Not applicable	

A score of “N/E” means “no evidence” and indicates that the assessment team could not find any evidence but was not confident of whether or not there was evidence to be found. The team assumes that “no evidence” does not necessarily mean that the element is not present (which would result in a zero score). Elements rated N/E are excluded from any calculation of the average. A significant number of N/E scores in a report indicates an assessment limitation (see the Limitations section below). A note indicating “N/A” means that an element is considered to be “not applicable”. This usually owes to the organisation’s specific nature.

Changes to MOPAN’s rating system

MOPAN’s methodology is continuously evolving. Figure 18 summarises ratings that would have been used under MOPAN’s previous (3.0) methodology that was applied to assessments prior to 2019. In MOPAN 3.1, the threshold for each rating has been raised to reflect the increasing demands of organisational performance in the multilateral system. The underlying scores and approach to scoring are unaffected.

FIGURE 18. IFAD'S PERFORMANCE RATING SUMMARY (USING THE MOPAN 3.0 METHODOLOGY WHICH WAS APPLIED IN THE PREVIOUS IFAD ASSESSMENT)



LIMITATIONS

This assessment provided a multi-dimensional snapshot of organisational performance and was limited by the scope covered by the 12 KPIs (Annex A) and by the MOPAN 3.1 approach. Therefore, issues such as those related to human resources management are limited by available data and evidence as permitted by the MOPAN approach.

Survey collection and interviews were limited because (i) surveys were sent out by the MOPAN Secretariat to ensure confidentiality – MOPAN and IFAD co-ordinated activities to ensure confidentiality; (ii) the recent rotation of IFAD staff led to some staff having more limited knowledge of their countries and/or regions – where possible the team interviewed previous office holders to maximise interview time and takeaway; and (iii) (in accordance with MOPAN’s methodology) no beneficiaries were interviewed.

The assessment does not provide an in-depth assessment of recent non-sovereign lending and borrowing. This is largely due to the early stage of this activity and the limited number of projects that were being implemented. The assessment was largely limited to an assessment of the strategy, action plans, and the few grants and loans provided as part of the strategy. The coherence and aims of this work were considered in relation to IFAD’s mandate. Importantly, the limitation did not weaken the capacity of the assessment team to provide judgement, but it has a more limited base that is reliant on management’s own findings.

IFAD is an evolving institution operating in a rapidly evolving context. MOPAN assessments, based on a detailed set of indicators and a complex rating system, provide a static image. This is based on an analysis and assessment, mainly influenced by the situation observed at the end of the review period, but cannot adequately capture the underlying internal and external evolution of IFAD. The narrative text within the assessment report reflects the evolving context in which IFAD is working.

REFERENCES

MOPAN (2020), *MOPAN 3.1 Methodology Manual, 2020 Assessment Cycle*,
http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf



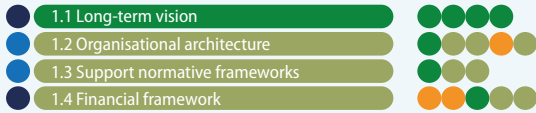
Jordan – *Small Ruminants Investment and Graduating Households in Transition Project (SIGHT)* – March 2023. Fayez Al-Edwan, 55 Years from Al Ghabawi in Jordan, owns a sheep farm and is one of the pioneer herders to perform artificial insemination for his sheep through the SIGHT project. Photo: IFAD/Roger Anis

ANNEX

IFAD PERFORMANCE OVERVIEW CURRENT RATING

Strategic management

KPI 1: Organisational architecture and financial framework

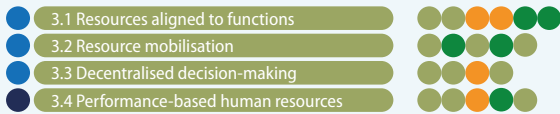


KPI 2: Cross-cutting issues



Operational management

KPI 3: Operating model and resources support relevance and agility

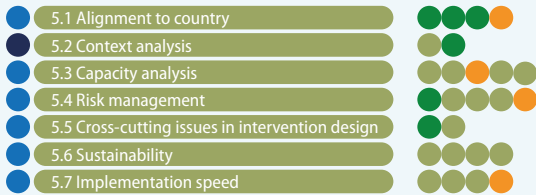


KPI 4: Cost- and value-consciousness financial transparency

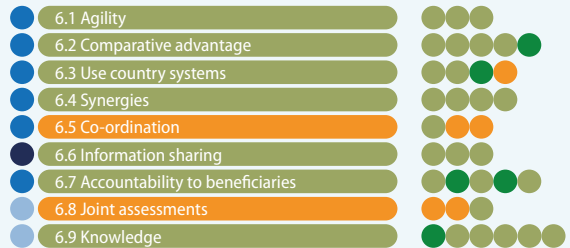


Relationship management

KPI 5: Relevance and agility



KPI 6: Coherent partnerships

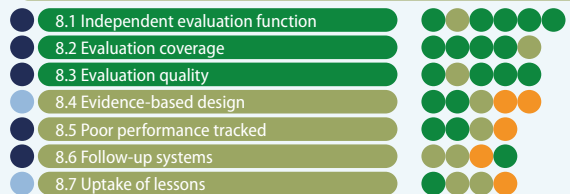


Performance management

KPI 7: Results management

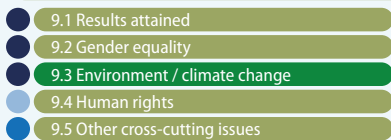


KPI 8: Evidence-based planning and programming

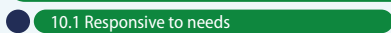


Results

KPI 9: Achievement of results



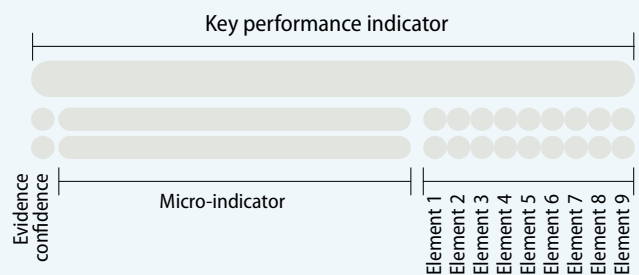
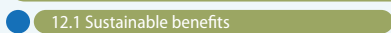
KPI 10: Relevance to partners



KPI 11: Efficient delivery



KPI 12: Sustainability





For any questions or comments, please contact:
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