

Overview

Background

1. The Annual Report on Results and Impact of IFAD Operations (ARRI) is the flagship report of the Independent Office of Evaluation of IFAD (IOE) and provides a synthesis of independent evaluation findings. In line with the requirements of the IFAD Evaluation Policy,¹ IOE has prepared this report on an annual basis since 2003, making this the fourteenth edition of the ARRI. IFAD is among the few multilateral and bilateral organizations to produce such a report on an annual basis, reflecting the Fund's continued commitment to strengthening accountability and learning for better development impact.

Objectives

2. The ARRI has two main objectives: (i) to present a synthesis of the performance of IFAD-supported operations based on a common evaluation methodology; and (ii) to highlight systemic and cross-cutting issues, lessons and challenges that IFAD and recipient countries need to address to enhance the development effectiveness of IFAD-funded operations. Moreover, as agreed with the Executive Board last year, the 2016 ARRI includes a dedicated chapter on knowledge management, with a particular emphasis on how operations can learn to improve performance.

New features

3. The 2016 ARRI includes several new features. First, ratings for portfolio performance, non-lending activities and country strategic opportunities programmes (COSOPs) – generated by the country programme evaluations (CPEs) undertaken by IOE since

2006 – are made publicly available in the independent evaluation database, thus adding to its comprehensiveness, accountability and transparency.

4. Second, the 2016 ARRI includes a specific section in the CPE chapter on the experiences of IFAD-supported South-South and triangular cooperation initiatives, as documented in the 2015 evaluations, and identifies key issues and lessons learned for reflection and further action. Third, it provides an analysis of IFAD's cofinancing performance for the most recent loan-funded projects evaluated in the context of the 2015 CPEs. Finally, the 2016 ARRI explores the effects of fiduciary-related aspects on results in the section devoted to assessment of government performance as a partner.

Context of the 2016 ARRI

5. The food security and nutritional status of poor rural populations have historically been key dimensions of IFAD's mandate. Given growing inequality, especially in developing countries, and the challenging global environment, the relevance of this mandate becomes even more important. In this complex environment, poor rural people – IFAD's main target groups – are facing increasing risks and are vulnerable to climate change and other shocks.
6. Against the backdrop of these challenges, the international community adopted the Sustainable Development Goals (SDGs) within the broader framework of 2030 Agenda for Sustainable Development (Agenda 2030), which is founded on the principle of “no one will be left behind and reach the furthest

¹ See www.ifad.org/gbdocs/eb/102/e/EB-2011-102-R-7-Rev-1.pdf.

behind first". The centrality of smallholder agriculture and rural development to the global agenda underlines the relevance and importance of IFAD's mandate and provides a key reference for its policies, priorities and development interventions in the Tenth Replenishment of IFAD's Resources (IFAD10) and beyond.

7. During the Ninth Replenishment of IFAD's Resources (IFAD9), the emphasis on the key dimensions of the Fund's mandate – reducing rural poverty and improving the food security and nutritional status of poor rural people – constituted the foundation of the IFAD Strategic Framework 2016-2025 and is at the centre of IFAD's operational priorities for IFAD10.
8. IFAD measures its contribution to the above global objectives of poverty reduction and better food security and nutrition through the Results Measurement Framework (RMF), which covers a three-year period and sets indicators and targets for the Fund's country programmes and projects and measures performance against them. The RMF also sets targets and indicators for the quality of internal processes and management, which lead to good results on the ground.
9. The 2016 ARRI assesses results against some of the main indicators in the RMF for IFAD9, while also identifying opportunities and challenges in light of the priorities for IFAD10 and beyond.

Independent evaluation database and data sources

10. The independent evaluation database is publicly available. It includes project ratings from 327 independent evaluations carried out by IOE since 2002 and, as mentioned earlier, it now also includes ratings generated by the CPEs² in a separate table. The database contains ratings for those projects that have been evaluated more than once by IOE over the years. Thus, only the most recent ratings

for each project evaluated by IOE are used in preparing the ARRI. As such, the 2016 ARRI draws on a database of 270 project evaluations completed by IOE since 2002.

Age of the portfolio

11. Of the 40 new evaluated projects included in this year's ARRI, 6 were approved from 1997 to 2001, 16 from 2002 to 2005, and 18 from 2006 to 2009. None of these projects are still ongoing: 1 closed in 2006, 7 closed from 2009 to 2012, and 32 from 2013 to 2015. The average project duration was 8.7 years, with eight projects having an implementation period of more than 10 years. Thus, although these projects were designed 10 years ago or more, a large number of them were under implementation until recently.

Methodology

12. The project evaluations informing the 2016 ARRI were performed in 2015 and thus follow the provisions of the 2009 Evaluation Manual.
13. Each project is assessed and rated across seven internationally recognized evaluation criteria, including: relevance, effectiveness, efficiency, rural poverty impact, sustainability, gender equality and women's empowerment, and innovation and scaling up.
14. IOE also has two composite evaluation criteria: project performance and overall project achievement. Project performance is based on the ratings of three individual evaluation criteria (relevance, effectiveness and efficiency), whereas overall project achievement is based on all seven criteria applied by IOE. Last, but not least, each project is also evaluated for IFAD and government performance as partners, in line with practice at other international financial institutions.

Rating scale and data series

15. IOE uses a six-point rating scale³ to assess performance in each evaluation criterion. The ratings, which are the foundation of performance reporting in IOE evaluations,

² www.ifad.org/evaluation/policy_and_methodology/tags/1852158.

³ Projects rated moderately satisfactory or better are in the 'satisfactory' zone (4-6), while projects rated moderately unsatisfactory or worse are in the 'unsatisfactory' zone (1-3).

are aggregated and used in ARRI analyses for reporting on IFAD’s operational performance.

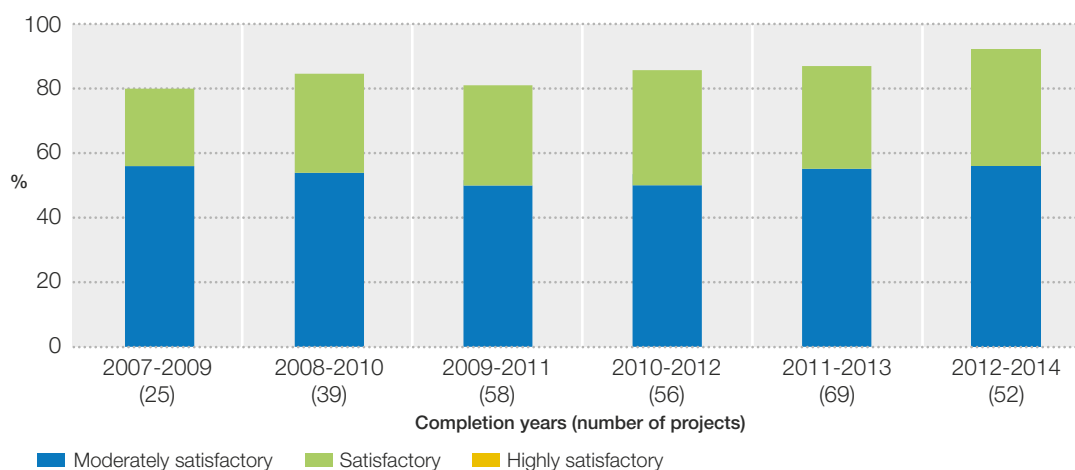
- 16. Project evaluation ratings are presented in two data series in the ARRI: (i) all evaluation data; and (ii) project completion report validation (PCRV)/project performance assessment (PPA) data only. The former presents project ratings from all evaluation reports going back to 2002; the latter contains only data from PCRVs, PPAs and impact evaluations. The PCRV/PPA data series currently includes ratings from 127 evaluations of the total 270 evaluations analysed in the 2016 ARRI. Both data series present the ratings by year of project completion.
- 17. Main trends in performance are explained through an analysis of the percentages of projects rated moderately satisfactory or better.
- 18. The 2016 ARRI also analyses the mean and median rating for selected evaluation criteria, along with the most commonly used measures of dispersion of a distribution,

which are the standard deviation and the interquartile range. This analysis helps indicate how close or how far performance actually is from an assigned rating.

Project performance

- 19. The broad picture of project performance emerging from the 2016 ARRI is positive. The institution performed well in the IFAD9 period, with 80 per cent of projects rated moderately satisfactory or better for most of the criteria in 2012-2014. More specifically, IOE evaluations show that IFAD has made a positive contribution to rural poverty reduction, for which the percentage of moderately satisfactory or better projects increased from 87 per cent for operations completed in 2011-2013 to 92.3 per cent in 2012-2014 (chart 1). This is the result of the Fund’s efforts to improve performance in key impact subdomains.
- 20. IFAD operations completed in 2012-2014 achieved the highest impact on household income and assets, as compared with other impact domains, with 92.3 per cent of the

Chart 1 Rural poverty impact – by year of completion
Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



projects completed in 2012-2014 rated moderately satisfactory or better as compared with 86 per cent in 2011-2013. Human and social capital and empowerment is also an area of strength, with nearly 91 per cent of the projects completed in 2012-2014 rated moderately satisfactory or better, out of which 7.3 per cent highly satisfactory.

21. The contribution of IFAD's operations to food security and agricultural productivity, which is the keystone of the Fund's mandate, has been substantive and positive in terms of both improving the availability of and access to food, and enhancing agricultural productivity. Eighty-six per cent of projects are assessed as moderately satisfactory or better in 2011-2013, which is the highest percentage since 2007.
22. As anticipated in previous ARRI, the performance of IFAD and governments as partners keeps improving. IFAD performance as a partner is moderately satisfactory or better in 87 per cent of the projects completed in 2012-2014, of which 42.9 per cent are satisfactory projects. A key indicator in the assessment of IFAD's performance as a partner is cofinancing. Thus the 2016 ARRI introduced a new analysis to assess the performance of IFAD in cofinancing as part of the broader assessment of IFAD's performance as a partner. The cofinancing ratios have been calculated and analysed across the portfolio of new projects approved in the time frame covered by the six CPEs conducted in 2015. The results of the analysis show that IFAD surpassed the cofinancing ratio indicator in four countries out of six.
23. Government performance as a partner is among the most important factors in ensuring the successful outcome of IFAD-financed projects, as governments have the main responsibility for implementation of IFAD-financed projects and programmes. Their performance improved considerably – from 60 per cent of the projects rated moderately satisfactory or better in 2009-2011 to 82.2 per cent in 2012-2014. However, most of the projects were only moderately satisfactory and none of them were rated highly satisfactory. Project evaluations and CPEs, such as those undertaken for The Gambia and Nigeria, pointed to the management of fiduciary aspects – such as slow release of counterpart funds, delays in and quality of audit reports, and weak financial management – as major constraints on government performance.
24. The positive impact of IFAD-funded operations is also driven by IFAD's good performance in gender equality and women's empowerment and in innovation and scaling up. These are central operational priorities in both IFAD9 and IFAD10, and key principles of engagement in the Strategic Framework. IFAD-supported operations have been successful in empowering poor rural communities and vulnerable groups, including women, in participating in decision-making processes at all levels and accessing rural services, basic amenities and productive resources. Recent projects are devoting increasing attention to sensitizing men to the transformational role women can play in broader social and economic development activities. As a result, 90.2 per cent of the projects completed in 2012-2014 are in the moderately satisfactory or better zone, out of which 53 per cent are satisfactory or better.
25. In recent years, the Fund's performance in promoting innovative solutions for rural poverty reduction has generally been satisfactory and in line with the main pillars of the 2007 strategy and the innovation agenda of the Strategic Framework. However, further efforts are needed to ensure that successful approaches and technical innovations from IFAD operations can be replicated elsewhere and can ultimately be scaled up by governments, development partners and the private sector, beyond individual project areas or provinces, for a wider and more significant impact on rural poverty.

26. In terms of benchmarking, IFAD's project performance remains at the forefront and is most similar to that of the agriculture sector operations of the World Bank, with 80 per cent of all operations evaluated as moderately satisfactory or better. IFAD's project performance is better than the performance of the agriculture sector operations of the Asian Development Bank and the African Development Bank. There are, however, some inherent challenges in benchmarking, such as the differing sector coverage and sizes of the organizations being compared, which need to be taken into account when interpreting findings.
27. Notwithstanding the good performance in key operational priorities, the ARRI identified a number of challenging areas that demand continued attention to raise the performance bar from moderately satisfactory projects to satisfactory and highly satisfactory. The first area concerns IFAD's targeting approach. Agenda 2030 is driven by the principle of "no one will be left behind and reach the furthest behind first". Along the same lines, targeting is one of IFAD's principles of engagement, which is central to its mandate of rural poverty reduction. Comprehensive targeting approaches enable operations to reach the poorest of the poor by combining solid livelihood and poverty analysis, based on context-specific circumstances, and dynamic participatory processes. Good poverty analysis at design makes projects more relevant, while a dynamic strategy to target the poor will lead to better effectiveness on the ground.
28. The 2015 evaluations found that poverty analyses conducted at design do not sufficiently capture the differences among groups of poor rural people. As a result, project activities often do not reach all target beneficiaries, in particular the poorest of the poor and other marginalized groups that are the most difficult to reach. Moreover, they are often not flexible enough to adapt to changing contexts. Thus, more can be done to ensure that appropriate attention is devoted to IFAD's targeting strategies at design and that monitoring efforts are deployed during implementation.
29. The second key area is related to food security, nutrition and mainstreaming of nutrition-sensitive agriculture in the IFAD portfolio. While nutritional security is fundamental for better rural livelihoods, the evaluations found that IFAD-funded operations could have done more to explore and further improve the contribution that improved agricultural productivity can make to improved food security. Project results are mainly focused on productivity and have yet to reflect achievements in nutrition. With an increased urgency to address malnutrition, it is thus commendable that, for IFAD10, the Fund has adopted the 2016-2018 Action Plan to Mainstream Nutrition-Sensitive Agriculture, which aims to ensure that at least one third of new projects will be designed with a nutrition lens. Still, the ARRI concludes that more attention and efforts can be devoted to ensuring that all projects focusing on food security are nutrition-sensitive, in line with the organization's core mandate and the requirements of the new global agenda.
30. The quality of monitoring and evaluation (M&E) is the third area of attention that emerges from the 2015 evaluations. In line with previous annual reports, the 2016 ARRI concludes that weak project M&E systems and results measurement impinge on the assessment and attribution to IFAD operations of impact on rural poverty, and in particular on income, food security and nutrition. It is important to recognize and commend IFAD Management for its responsiveness to the challenges posed by results and impact measurement and the increased focus on strengthening its results culture and paying attention to improving its internal corporate performance monitoring and reporting instruments.

31. However, more systematic efforts will be needed moving forward, as M&E systems in general have not received the required level of resources and attention. IFAD has the potential to bring immense field experience into the policy discourse, based on a systematic collection of evidence from operations. Yet, given the data gaps and lack of sound empirical impact assessment in many projects, M&E data are of limited use when it comes to dissemination of results and the scaling up of successful practices.

Peer-to-peer comparison

32. Following the practice introduced in last year's report, the 2016 ARRI presented the results of the peer-to-peer comparison between ratings by IOE and the Programme Management Department (PMD) for all evaluation criteria using the mean and mode values. The analysis draws from a larger sample of 126 projects completed in the period 2007-2014, as compared with 97 in the 2015 ARRI. For the 126 projects assessed in this analysis, PMD ratings were higher, on average, for all criteria.

33. Relevance presents the largest disconnect, where the PMD ratings tend to be 0.42 higher on average. Also the difference in the mode ratings is the same as last year. The IOE mode rating is 4 (moderately satisfactory) for every criterion except human and social capital and empowerment, for which the mode is 5 (satisfactory). The mode of PMD ratings is 5 (satisfactory), as presented by nine criteria, with a mode of 4 (moderately satisfactory) for the remaining ones. This demonstrates that the frequency of satisfactory ratings is higher in PMD assessments.

Country performance

34. Moving beyond the project level, CPEs provide a broader assessment of the IFAD/government partnership in the reduction of rural poverty and serve to inform the development of new country strategies and IFAD-supported activities in the country. CPEs assess portfolio

performance, non-lending activities (e.g. policy dialogue, knowledge management and partnership-building) and performance of country strategies, and identify lessons that cut across IFAD country programmes.

35. Historically, a total of 58 CPEs have been undertaken by IOE since the product was introduced in the 1990s. Of these, 36 have been conducted since 2006 based on a consistent methodology, including the use of ratings, which allows aggregation of results across country programmes. This year's ARRI is informed by the ratings of these 36 CPEs, including six new CPEs carried out in 2015 in Brazil, Ethiopia, The Gambia, India, Nigeria and Turkey.

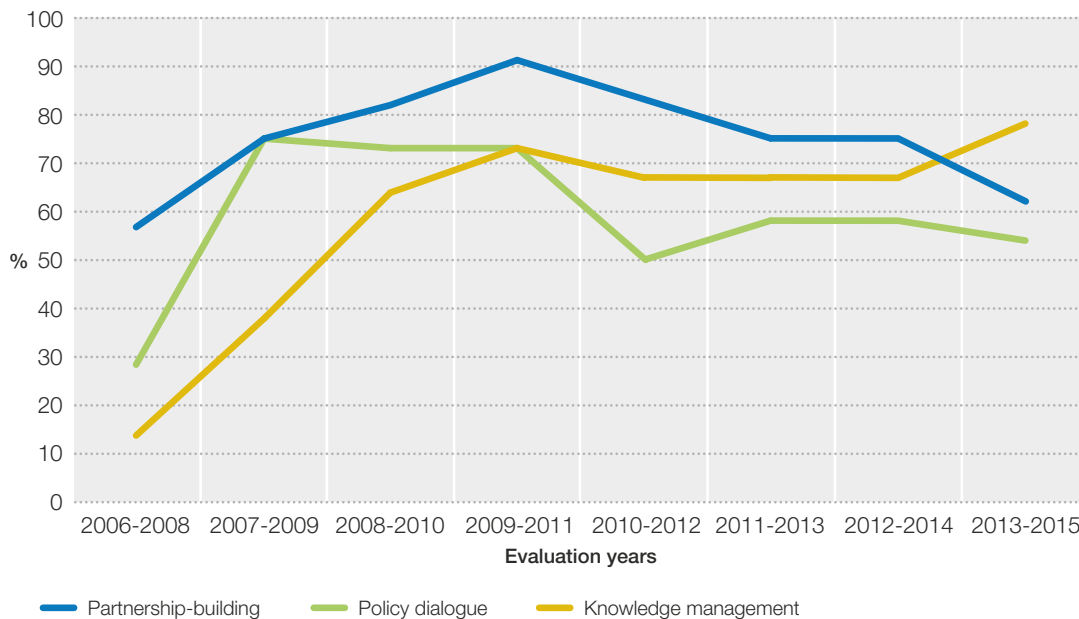
36. Non-lending activities are mutually reinforcing actions to complement IFAD's investment projects. They are increasingly recognized as essential instruments in promoting institutional and policy transformation at the country level and in scaling up the impact of IFAD operations for deeper results in rural poverty reduction.

37. Chart 2 provides a summary of the performance of non-lending activities in the period 2006-2015. It shows that the plateau in performance in the period 2011-2014, analysed in the 2015 ARRI, has evolved into an improvement in knowledge management, but a worsening of performance in policy dialogue and partnership-building in 2013-2015.

38. Overall, performance in non-lending activities is only moderately satisfactory. Knowledge management shows an encouraging upward trend from 67 per cent of country programmes moderately satisfactory or better since 2010-2012 to 78 per cent in 2013-2015. The performance of policy dialogue declined from 73 per cent of country programmes rated moderately satisfactory or better in the period 2009-2011 to 58 per cent in 2011-2014, to 54 per cent in 2013-2015. None of them is satisfactory or highly satisfactory. The downward trend is even

Chart 2 Performance of non-lending activities 2006-2015

Percentage rated moderately satisfactory or better by criterion



sharper for partnership-building. In this case, performance diminished from 91 per cent of country programmes assessed as moderately satisfactory or better in 2009-2011 to 75 per cent in 2011-2014, to 62 per cent in 2013-2015.

39. As anticipated by the 2015 ARRI, in both cases performance is below the targets of 70 per cent and 90 per cent set in the IFAD9 RMF for policy dialogue and partnership-building, respectively. The decline in performance raises concerns in view of the substantive contribution that the Fund is expected to make to the achievement of SDG17, which focuses on strengthening and revitalizing the global partnership for sustainable development, as well as in view of the IFAD10 target for 2018, which was increased to 85 per cent for policy dialogue.
40. The 2015 CPEs draw attention to some enabling factors that are key to enhancing IFAD's capacity to significantly engage in non-lending activities moving forward. First, the adoption of more strategic approaches

is key to strengthening the linkages between lending and non-lending activities to ensure synergies and improve development effectiveness. Second, efforts to expand coordination, partnerships and dialogue with a wider range of stakeholders, beyond the project level, can leverage the scaling up of successful experiences and results. This also requires close monitoring, systematic donor coordination and the development of a clear agenda for establishing stronger, strategic partnerships at the country level and better policy dialogue in support of national priorities for rural development as identified by host governments.

41. Finally, the 2015 CPEs highlight the special value of grants in supporting research partnerships and policy engagement, and in generating and sharing knowledge to advance smallholder farming, rural transformation and the fight against rural poverty. Yet opportunities exist to ensure more robust, tangible linkages on the ground between loans and grants, and to enhance the potential for learning from grant activities.

42. In sum, non-lending activities are crucial to IFAD in leveraging and enabling the deeper impact of its programmes on both policy and operational/financial fronts, including prospects for South-South and triangular cooperation.
43. As mentioned earlier, CPEs also assess the COSOP in terms of relevance, effectiveness and overall performance. COSOP relevance is moderately satisfactory or better in 87 per cent of IFAD country strategies, effectiveness in 75 per cent and overall performance in 83 per cent. The majority of the ratings fall in the moderately satisfactory zone, and none of the country strategies is found to be highly satisfactory for any criteria.
44. The 2015 CPEs identified several cross-cutting issues that merit attention if ongoing and future IFAD country strategies are to be improved. First, methodology, processes and instruments to measure the achievements of non-lending activities at the country level are not yet fully developed in the context of the results frameworks of COSOPs.
45. Second, COSOPs do not lay out a clear and actionable agenda for non-lending activities and do not provide an indication of the estimated administrative resources needed to achieve country programme objectives. Third, non-lending activities and IFAD lending operations are not adequately linked. This is important, as the latter generate the experiences and lessons that inform the organization's work in policy dialogue, partnership-building and knowledge management.
46. Fourth, the CPEs underlined wide geographical coverage within a country as a constraint on better effectiveness and direct increased attention to non-lending activities. Finally, COSOPs are not based on a "theory of change" – with outputs, outcomes and objectives at the strategic level, few but well-chosen indicators, and clear integration of contributions from both lending and non-lending activities. In this regard, the corporate-level evaluation (CLE) on IFAD's performance-based allocation system (PBAS) highlights the need for better linkage between the PBAS allocation, project pipeline, sequencing of interventions and corresponding theory of change, so as to leverage the impact of IFAD-financed operations.
- 2016 learning theme on knowledge management: how can operations learn to improve performance?**
47. As agreed by the Executive Board in December 2015, the learning theme for this year's ARRI is knowledge management, with particular emphasis on how operations can learn to improve performance. IFAD's strategy defines knowledge management as the process of "capturing, creating, distilling, sharing and using know-how". This provides a useful working definition for purposes of this paper, and is in line with most of the literature in the field.
48. Knowledge management must be systematic; that is, it needs to involve purposive activity designed to carry out the functions of knowledge capture, creation, distillation, sharing and use through a set of deliberate processes, rather than ad hoc interactions. This is an important point, because, without a system, there may be idiosyncratic knowledge-sharing, but there is no real knowledge management. Thus, underlying the analysis in the present learning theme is the question of the extent to which knowledge management processes in IFAD are organized and applied systematically.
49. The learning theme analysis identified several factors that constrain systematization of knowledge management at IFAD, such as insufficient integration of knowledge management into country strategies, limited time and budget availability, few efforts to align human resources and incentives, weaknesses

in M&E systems and lack of sound empirical impact assessment in most projects. Thus, the analysis proposes the following cross-cutting lessons, which could strengthen learning loops to improve IFAD's performance and its overall development effectiveness.

50. First, knowledge management performance would greatly benefit from the development and measurement of relevant performance indicators in COSOPs and from the provision of resources commensurate with the knowledge management strategy. At project and country levels, budgeting for knowledge management often relies on grants or on the administrative budget. There is no institution-wide allocation for knowledge management, meaning that it has to compete with other priorities, so funding is uncertain.
51. Second, the enhancement of staff knowledge management skills merits consideration moving forward. A better alignment of the staff incentive system with the knowledge management strategy would help to provide clarity to staff on their accountability for learning, and positive motivation to participate actively in knowledge management efforts.
52. Third, the ultimate challenge for any knowledge management system, including IFAD's, is to create a culture of knowledge, in which the strategy, systems, financial and human resources, and incentive structure are aligned in a way that facilitates the gathering, dissemination and use of knowledge to improve the organization's effectiveness in reaching its objectives.

Conclusions

53. The 2016 ARRI showed improved performance during IFAD9 on operational priorities such as rural poverty impact, human and social capital and empowerment, innovation and scaling up, and gender equality and women's empowerment. The performance of IFAD and governments as partners has also been improving over time. This is key, not only for ensuring good project performance, but also for improving partnerships and dialogue beyond the project level and furthering the development agenda towards achievement of the SDGs.
54. On the other hand, the 2016 ARRI identified areas of operational performance that merit further attention moving forward in order to raise the project performance bar from moderately satisfactory to satisfactory and highly satisfactory. First, insufficient attention and efforts are devoted to IFAD's targeting strategies at design and during implementation in order to ensure that operations reach all target beneficiaries, in particular the poorest of the poor and other marginalized groups. Second, notwithstanding the positive impact that IFAD-supported operations are having on food security and agricultural productivity, independent evaluations did not find systematic evidence of nutrition-sensitive agricultural practices in the projects examined. Third, recurrent constraints on the management of fiduciary aspects hinder improvements in the performance of IFAD's portfolio. Moreover, despite recent improvements, efficiency, environmental and natural resource management, and sustainability of benefits continue to be persistent challenges to the organization's operational effectiveness.
55. At the country level, the 2016 ARRI underlines the importance of expanded coordination and partnership with a wider range of stakeholders (e.g. the private sector, Rome-based agencies, technical ministries) in the context of COSOPs and beyond the project level to leverage the scaling up of successful experiences and results. This also requires close monitoring, systematic donor coordination and the development of a clear agenda for stronger, strategic partnerships at the country level and better policy dialogue in support of national priorities for rural development as identified by host governments.

56. Finally, the 2015 evaluations found limited focus on the mobilization of resources and promotion of incentives to systematize knowledge management in IFAD, establish stronger horizontal and vertical knowledge-sharing and knowledge management, and promote further convergence among project, country and institutional levels, instead of seeing projects as separate “islands of excellence”.

57. The above areas for improvement need to be addressed if IFAD wants to raise the project performance bar from moderately satisfactory to highly satisfactory, and to be at the forefront of the rural transformation envisaged in the context of Agenda 2030 and the SDGs. Thus, the 2016 ARRI offers the following recommendations to address the most urgent challenges.

Recommendations

58. The Board is invited to adopt the following strategic recommendations, which reflect the findings and conclusions of the 2016 ARRI. Four of them are addressed to IFAD Management and include: two recommendations deriving from the analysis of project performance (targeting and nutrition), one recommendation originating from the analysis of CPEs (partnership-building at the country level) and one from the 2016 learning theme on knowledge management.

59. **Targeting.** Evaluations found that project activities are often not sufficiently refined to meet the needs of all intended beneficiaries, in particular those at risk of being excluded, such as indigenous peoples, pastoralists, landless people, migrants and other vulnerable groups. In this respect, it is important that future operations: (i) adapt their approaches and activities to the complexity of contexts and target groups; (ii) further enhance targeting in terms of scope and accessibility to project benefits by poor rural people, paying increased attention to those at risk of being left behind; and (iii) ensure

more disaggregated indicators to track the participation of and benefits for different groups and eventually to demonstrate the effectiveness of project initiatives.

60. **Food security and nutrition.** In line with the Agreement Establishing IFAD, whose core objective is “Improving the nutritional level of the poorest populations in developing countries”, and in the context of the 2016-2018 Action Plan to Mainstream Nutrition-Sensitive Agriculture at IFAD, the 2016 ARRI recommends that all new projects, when relevant, should be nutrition-sensitive, with explicit nutritional objectives, activities and indicators. Moreover, to maximize the contribution of IFAD projects and programmes to better food security and nutrition and the achievement of SDG2, the 2016 ARRI recommends that supervision missions should look at opportunities to accommodate specific actions to ensure that, when appropriate, projects contribute to improved nutrition.

61. **Partnerships at the country level for learning and scaling up of results.** Evaluations have found that there is scope to improve partnerships with a wider range of actors at the country level in the context of COSOPs. This will leverage better results and complement IFAD’s scaling up agenda, including in promoting a better policy and institutional environment in the agriculture sector. Strong partnerships with Rome-based agencies, the private sector and technical ministries at the national level should be clearly articulated in COSOPs and implemented through country programme activities. Performance in partnership-building should be closely monitored and reported on in the Report on IFAD’s Development Effectiveness (RIDE).

62. **Knowledge management.** IFAD should invest resources, time and effort more proactively in systematizing knowledge management at all levels, and should align the strategy, systems, financial and human resources, and incentive

structure so as to facilitate the gathering, dissemination and use of knowledge. This will entail: (i) aligning the incentive system better with the knowledge management strategy to provide clarity to staff on their accountability for learning, and positive motivation to participate actively in knowledge management efforts; (ii) improving M&E systems and developing and measuring performance indicators for knowledge management; and (iii) enhancing staff knowledge management skills.

63. Moreover, IFAD should increase its investment in documenting innovative solutions in rural poverty reduction that emerge in the context of IFAD operations – valorizing the work IFAD does at the country level and making it available as a public good. This process should be more clearly anchored in COSOPs and projects.

64. **2017 ARRI learning theme.** The Board is invited to adopt financial management and fiduciary responsibilities as the single learning theme in 2017 ARRI. Although there have been improvements in government performance in recent years, the analysis contained in the 2016 ARRI suggests that financial management and fiduciary responsibilities remain constraining factors in raising the performance results of IFAD's portfolio to highly satisfactory.