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Enabling poor rural people  
to overcome poverty

## **Report of the Chairperson on the seventy-sixth session of the Evaluation Committee**

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**For: Review**

## Report of the Chairperson on the seventy-sixth session of the Evaluation Committee

1. This report covers the deliberations of the Evaluation Committee during its seventy-sixth session held on 3 and 4 April 2013.
2. All Committee members attended the session (Brazil, Egypt, Germany, Finland, India, Indonesia, Nigeria and Norway). Observers were present from Australia, China, France, the United Kingdom and the United States. The Committee was joined by the Associate Vice-President, Programme Management Department (PMD); the Acting Director, Independent Office of Evaluation of IFAD (IOE); the Officer-in-Charge, Office of the Secretary of IFAD; the Senior Adviser to the President; the Associate Vice-President, Strategy and Knowledge Management Department; the Director, Partnership and Resource Mobilization Division; the Director, Asia and the Pacific Division; and other IFAD staff.
3. The agenda contained 10 items for discussion, as follows: (i) opening of the session; (ii) adoption of the agenda; (iii) draft minutes of the seventy-fourth session of the Evaluation Committee; (iv) draft minutes of the seventy-fifth session of the Evaluation Committee (closed session); (v) corporate-level evaluation of IFAD's institutional efficiency and efficiency of IFAD-funded operations; (vi) PowerPoint presentation on the main findings of the corporate-level evaluation of direct supervision and implementation support; (vii) approach paper on the corporate-level evaluation of the revised IFAD Policy for Grant Financing; (viii) approach paper on the corporate-level evaluation of the achievements of IFAD Replenishments; (ix) approach paper on the impact evaluation of the Dry Zone Livelihood Support and Partnership Programme in Sri Lanka; and (x) other business.
4. **Adoption of the agenda.** The Committee discussed and adopted the agenda for its seventy-sixth session. The Committee went into closed session to discuss a proposal with regard to the consideration of the minutes of the seventy-fifth session of the Committee. Further to these discussions, it was agreed that the agenda would be adopted as presented, with the inclusion of two additional items under other business, as follows: (a) briefing on the arrangements to mark the tenth anniversary of the establishment of the independent evaluation function at IFAD and recent efforts to strengthen collaboration on evaluation among the Rome-based agencies; and (b) discussion of the Committee's forthcoming country visit to Viet Nam. It was further agreed that consideration of the minutes of the seventy-fifth session of the Committee would take place in closed session.
5. **Draft minutes of the seventy-fourth session of the Evaluation Committee.** The Committee discussed document EC 2013/76/W.P.2 containing the minutes of the seventy-fourth session of the Evaluation Committee and adopted it without further changes.
6. **Corporate-level evaluation of IFAD's institutional efficiency and efficiency of IFAD-funded operations.** The Committee discussed document EC 2013/76/W.P.4 and addenda 1 and 2 of the corporate-level evaluation of IFAD's institutional efficiency and efficiency of IFAD-funded operations. The Committee expressed their thorough appreciation to IOE for a "ground breaking" and high quality final report on the corporate-level evaluation on IFAD's efficiency, the first of its kind among multilateral and bilateral development organizations. Among other issues, it noted the report provided an opportunity to better understand IFAD and a useful basis for moving forward.
7. It took note of the positive comments in the joint senior advisers' report on the quality of the evaluation and welcomed the IFAD Management response thereon.

8. The Committee was encouraged by Management's constructive and forward-looking approach and agreement with the evaluation's main findings and recommendations. The Committee also appreciated the initiatives being undertaken to achieve the aims highlighted by the evaluation.
9. Given the wide ranging nature of the evaluation, members suggested the importance of identifying further opportunities for more detailed discussion on the evaluation in the future. Members also felt that the Committee needed to deliberate further on the governance-related issues prior to the Executive Board session in September 2013.
10. The Committee noted that there were only very few areas of disagreement between Management and IOE. One such area related to the age of the cohort of projects evaluated and the difficulty in drawing overarching conclusions on the basis of the data presented. In this regard, members underscored the need to address existing data constraints to facilitate both self-evaluations and independent evaluations at IFAD. However, with the shift towards validation of project completion reports by IOE, and the undertaking of impact evaluations by both IOE and Management, this issue will no longer be of relevance in the future. IOE also noted the need to further strengthen both project-level monitoring and evaluation (M&E) systems and IFAD's internal databases for better enterprise analytics in the future.
11. Members applauded the further development of IFAD's country presence, and the achievement of increased efficiencies to strengthen the effectiveness of country offices.
12. One member commented on the delay in the finalization of the evaluation and the lack of opportunity for governing bodies to provide comments on the draft final report. IOE acknowledged the delay, noting that this was attributable to the complexity and scope of the evaluation, and recalled that evaluations of this nature normally took around two years to complete in IFAD and in other multilateral development banks, as already discussed at the Committee's session in November 2012.
13. Some members commented on the need to reflect on the evaluation criteria used and the way they are applied in IFAD evaluations, including the rating scale adopted. In this regard, IOE clarified that discussions had already started within IOE and with IFAD Management on selected aspects of IFAD's evaluation methodology. IOE further recalled that the aim was to develop a common understanding, which also captured the Committee's perspectives and priorities, and to issue a second edition of the Evaluation Manual to be issued in 2014.
14. Management emphasized its agreement with all recommendations aimed at enhancing IFAD's performance and the underlying rationale, with the exception of the recommendation for IFAD to take the lead in adopting a higher performance benchmark than other international financial institutions (IFIs). Management reiterated the point made in the report that not all of the recommendations would be budget-neutral. Management had already recognized the need to improve IFAD's business processes, as set out in the commitments made under the Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9). However some of the changes needed to be underpinned by additional investment (capital and current expenditures) and, as such, the issue of budget would need to be addressed in more detail.
15. Some members highlighted the importance of IFAD's role in driving innovation towards the scaling-up of successful interventions. Management agreed, also noting the challenge posed by the need to increase efficiency while ensuring fulfilment of IFAD's mandate to assist Member States in their poverty reduction efforts.
16. Members emphasized the importance of effective and timely follow-up on evaluation recommendations. In this regard, it was agreed that the recommendations of the corporate-level evaluation should be incorporated into

IFAD's Change and Reform Agenda, as agreed under IFAD9, including the issues and recommendations relative to IFAD's governing bodies. It was noted that a number of the recommendations substantiated commitments already made by Management under IFAD9. Management aimed to present a revised action plan on efficiency to the Executive Board in September 2013, after prior presentation to the Evaluation Committee. The Committee requested IOE to review the action plan and prepare written comments for consideration by the Committee and the Board. The plan should be time-bound, monitorable, and the recommendations from the corporate-level evaluation should be clearly flagged so as to facilitate tracking and reporting.

17. **Approach paper on the corporate-level evaluation of the revised IFAD Policy for Grant Financing.** The Committee considered document EC 2013/76/W.P.5, the approach paper on the corporate-level evaluation of the revised IFAD Policy for Grant Financing, which had been developed and shared with Management prior to presentation to the Evaluation Committee.
18. IOE explained that the aim of the approach paper was to aid IFAD in determining the current performance of its grant mechanism and provide strategic recommendations on the use of grants to support IFAD's operations.
19. Management emphasized the timeliness of the evaluation, in light of its focus on the strategic use of non-lending instruments and the goal of achieving synergies with IFAD loans. Management especially appreciated the strategic focus on a limited number of selected cases and hoped that comparisons would be drawn between IFAD's experience and the best practices of IFIs and other grant-providing institutions working in IFAD-related topic areas.
20. The Committee appreciated the presentation and observed that the strategic use of grant resources, including the number and size of grant proposals, was an important issue that had been raised by the Executive Board. Representatives supported the targeted use of grant resources, for example to facilitate operations in fragile states and enhance the scaling-up of IFAD operations.
21. In response to questions from members, IOE clarified that Debt Sustainability Framework (DSF) grants did not fall under the grant policy being evaluated. The heterogeneity of the types of grants provided by IFAD was also highlighted. As part of the Heavily Indebted Poor Countries Debt Initiative, DSF grants were subject to normal IOE project evaluation. Management expressed support for the content of the document and the overall approach. In addition, Management clarified that it had not agreed to publish a self-assessment note as suggested in the document; nonetheless, staff had been allocated to collaborate fully with IOE during the evaluation process.
22. Management reiterated that, as remarked during discussions on the corporate-level evaluation of efficiency, drawing overarching policy conclusions on the basis of older projects should be avoided. With respect to grants, given that a new policy had been adopted in 2009, it would be important that the conclusions of the pending evaluation differentiate between older and newer policy frameworks and focus on more contemporary operations.
23. Some members commented on the usefulness of including older projects as a source of additional insights and lessons.
24. IOE noted Management's concern, highlighting the importance of looking at older projects considering the need for accountability and extraction of lessons learned, as per the prime mandate of evaluations in all multilateral and bilateral organizations. The review of ongoing projects should remain principally within the purview of Management's self-evaluation process. With regard to the grant policy evaluation, and specifically in reference to paragraph 39 of the Approach Paper, IOE noted that it will also review, to the extent possible, a cohort of grants financed after the approval of the 2009 grants policy. IOE reiterated its willingness to work

- with Management to integrate Management's desire for more contemporary evaluation findings in the second edition of the Evaluation Manual.
25. The Evaluation Committee noted the content of document EC 2013/76/W.P.5, emphasized the strategic importance of the evaluation of Grant Financing, and thanked IOE and Management for their joint input to the Approach Paper.
  26. **Presentation of main findings of the corporate-level evaluation of direct supervision and implementation support.** The Committee welcomed IOE's presentation of the main findings of this corporate-level evaluation, as a prelude to the full report, which was scheduled for presentation to the Evaluation Committee in June 2013 and the Executive Board in September 2013.
  27. Management agreed with the main recommendations and looked forward to the full report. In response to members' questions regarding the use of partners and external consultants, IOE clarified that this proposal was not in contradiction with the recommendation to further strengthen IFAD country offices. Furthermore, Management highlighted the potential to expand implementation support through increased collaboration with the Rome-based agencies and possibly with some non-administrative budget support, especially in fragile states, as is currently being discussed at senior management level.
  28. Members highlighted the importance of ensuring ownership of projects by recipient countries, joint collaboration in the supervision process, and capacity-building of partner governments. The idea of enhancing implementation support through increased collaboration with other Rome-based agencies was strongly endorsed.
  29. In future cases where the Committee was invited to discuss emerging findings (and recommendations) based only on a PowerPoint presentation, IOE committed to providing Committee members with the presentation one week in advance of the session. In response to members' questions regarding the use of grants for scaling-up, IOE explained that these resources could be strategically used for the purposes of knowledge management and policy dialogue.
  30. **Approach paper on the corporate-level evaluation of the achievements of IFAD Replenishments.** The Committee considered document EC 2013/76/W.P.6, the draft approach paper on the corporate-level evaluation of the achievements of IFAD Replenishments and the presentation of the IOE's approach. This was the first evaluation of IFAD replenishments and it was being undertaken with the explicit intention to inform the IFAD10 replenishment process. To this end, the evaluation would focus on key issues arising from the IFAD7, IFAD8, and IFAD9 exercises. IOE expressed appreciation for Management's inputs to the design of the evaluation.
  31. IFAD Management welcomed the approach paper and emphasized the potential significance of the final report with respect to IFAD10. Management suggested that one key question would be how IFAD can reinforce, increase and leverage its core replenishment contributions to mobilize additional resources to achieve its aims. Management therefore requested the reformulation of the question designated as subpoint (e) under paragraph 39 of the draft approach paper.
  32. The Committee welcomed the presentation, which described the innovative evaluation methodologies that would be used and identified the specific constraints and related mitigation measures for the planned approaches. Members raised a question regarding outreach to key stakeholders through surveys, and outreach to relevant non-government donors in order to benefit from their lessons learned. The Committee affirmed the need for an ambitious time line to allow the evaluation to inform the upcoming replenishment process. Given IFAD's specificity in its support of smallholder farmers, some members requested that IFAD undertake an advocacy role on behalf of the smallholders. It was further requested that the evaluation analyse IFAD's ability to secure adequate resources in relation to other multilateral development banks.

33. In response to members' questions, IOE noted that the ambitious time line remained reasonable, given the staggering of ongoing corporate-level evaluations during 2013 and 2014. With regards to stakeholder outreach, IOE will consult with both current and past Members' representatives in order to address emerging priorities, as well as past experience.
34. Finally, the Committee agreed to IOE's proposal to discuss the emerging findings from the evaluation by means of a PowerPoint presentation during the Committee's September session. The final report would be discussed in the Executive Board in December 2013.
35. **Approach paper on the impact evaluation of the Dry Zone Livelihood Support and Partnership Programme in Sri Lanka.** The Committee discussed document EC 2013/76/W.P.7, the approach paper on the impact evaluation of the Dry Zone Livelihood Support and Partnership Programme in Sri Lanka. IOE noted that among the reasons for selecting this project for impact evaluation was the planned country programme evaluation in Sri Lanka next year.
36. Management expressed its appreciation for the collaboration in developing the methodology for the paper. The Committee welcomed the approach paper, noting the professionalism with which it was prepared, and stated that it looked forward to receiving the results.
37. Members enquired about the availability of baseline data from other institutions. Members further requested that information from other Rome-based agencies be included, and that efforts be undertaken to explore further collaboration in undertaking evaluations. IOE remarked that it had been in touch with the Norwegian Agency for Development Cooperation (NORAD) in developing the approach paper, and that it was actively working with Rome-based agencies to strengthen collaboration in evaluation. IOE provided clarification regarding available baseline data and their partial usability.
38. Management agreed with members and with IOE regarding the value of broader cooperation, and specifically with the World Bank, Bill & Melinda Gates Foundation, United States Agency for International Development (USAID), International Food Policy Research Institute (IFPRI), among others. While efforts had been made to engage with other organizations, not all partners were at the same level of capacity development as IFAD.
39. **Other business.** Two items were presented to the Committee under other business:
- (a) The tenth anniversary of the establishment of the independent evaluation function at IFAD. IOE informed the Committee that a booklet was under preparation and that a conference was planned towards the end of 2013 to celebrate this milestone.
  - (b) In relation to document EC 2013/76/W.P.8, Committee members were provided with information regarding the programme and draft terms of reference for the 2013 country visit to Viet Nam. PMD presented both the country context and the provisional agenda, underscoring the relevance of the mission in light of the upcoming Adaptation for Smallholder Agriculture Programme.

Thanking IFAD Management for drawing up an excellent plan, some members asked whether it would be possible to visit projects experiencing project performance issues as well those that were functioning well, in order to better understand the difficulties related to project performance. Other members suggested the inclusion of more United Nations agencies, in particular the Rome-based agencies, in the planned meetings in Viet Nam, and stated that this should be standard practice for future field visits. PMD clarified that Viet

Nam is among the "One UN" pilot countries and that inclusion of more United Nations agencies was being discussed.

In response to questions regarding the inclusion of projects related to ethnic minorities on the agenda, PMD clarified that one of the projects to be visited focuses on the Khmer minority.

Members discussed the possibility of including non-members of the Evaluation Committee in the field visit to Viet Nam. In principle, the Committee felt that allowing for participation of a maximum of three non-committee members, on a self-paying basis, would ensure broad inclusion while maintaining the group at a manageable size. China made a specific request to participate in the Viet Nam visit.