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Enabling poor rural people  
to overcome poverty

## **Report of the Chairperson on the eighty-first session of the Evaluation Committee**

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**For: Review**

## Report of the Chairperson on the eighty-first session of the Evaluation Committee

1. This report covers the deliberations of the Evaluation Committee during its eighty-first session held on 29 November 2013.
2. Present were members from Egypt, Finland, Germany, India, Indonesia, Japan, Mexico and Norway. Observers were present from China and Sweden. The Committee was further joined by: the Associate Vice-President, Programme Management Department (PMD); the Officer-in-Charge, Strategy and Knowledge Management Department (SKM); the Secretary of IFAD (SEC); the Deputy Director, Independent Office of Evaluation of IFAD (IOE); the Officer-in-Charge, IOE; and the Senior Portfolio Manager, PMD.

### **Adoption of the agenda**

3. The provisional agenda contained the following items for discussion: (i) opening of the session; (ii) adoption of the agenda; (iii) minutes of the eightieth session of the Evaluation Committee; (iv) Annual Report on Results and Impact of IFAD's Operations (ARRI); (v) Impact evaluation of the Dry Zone Livelihood Support and Partnership Programme in Sri Lanka; (vi) Report on IFAD's Development Effectiveness (RIDE) with comments of IOE; (vii) Progress report on the corporate-level evaluation on the achievements of IFAD replenishments; (viii) Evaluation synthesis on water conservation and management; (ix) Update of the IFAD Country Presence Policy and Strategy; and (x) other business.
4. **The Committee considered and adopted the provisional agenda, revised to include the working paper on budget considerations related to the recruitment and appointment of the Director, IOE under other business.**

### **Minutes of the eightieth session of the Evaluation Committee**

5. **The Committee considered the draft minutes of the eightieth session of the Evaluation Committee and approved them without amendment.**

### **Annual Report on Results and Impact of IFAD's Operations (ARRI)**

6. The Committee considered document EC 2013/81/W.P.3/Rev.1, the eleventh ARRI prepared by IOE, along with the written response from IFAD Management as contained in the addendum.
7. Members commended IOE for a well-prepared document and comprehensive presentations and congratulated Management on the positive achievements made. Management joined the Committee in applauding IOE, recognizing that the ARRI is IOE's flagship report and that this year's edition was the best produced to date.
8. There was engaged discussion on the findings and presentation of the ARRI. Appreciation was expressed for the **external benchmarking** provided and IOE was requested to expand the range of institutions benchmarked. IOE clarified that, while it was difficult to find comparable data from other United Nations organizations, every effort would be made to broaden the benchmarking cohort in the next edition of the ARRI. It was further clarified that the data used to conduct this benchmarking was publicly available on the websites of the relevant international financial institutions (IFIs) and the data extracted therefrom was shared with counterparts, however IOE's interpretation of the data was not shared in advance.
9. The next edition of the ARRI would also aim to highlight more **strategic overarching recommendations** and provide a complete picture of project performance across the criteria by including information on those projects considered moderately unsatisfactory or worse. In answer to the query as to why there had been a downward trend with respect to projects considered highly satisfactory, both Management and IOE drew attention to the changes in the

evaluation methodology applied which entailed an increased number of evaluation criteria and a more rigorous process.

10. Noting the apparent disconnect between the lack of improvement in government performance and the significant improvement in **project performance**, both IOE and Management indicated that the latter was largely thanks to IFAD's increased involvement in direct supervision and implementation support and its presence in-country as a strong partner. Furthermore, improved quality assurance processes were leading to more robust project design and fewer design-related problems during implementation. On a related note, the Committee welcomed the proposed 2014 learning theme on the **role of government**, with particular emphasis on strengthening the performance of project management teams, and the undertaking of a corporate-level evaluation (CLE) on **project management**. IOE noted that currently proxy indicators were used to measure the success of project management and that serious consideration would be given to defining project management and identifying specific criteria to measure its success.
11. On the areas highlighted as showing weak performance, Management agreed that **capacity-building** was key to strengthening project management and hence **sustainability**. Management added that the Board had recently approved a grant to the Food and Agriculture Organization of the United Nations (FAO) to help build capacity in problem projects in fragile states, and that the aim was to use the lessons learned from this initiative to scale up such activities. In this respect, Management was called upon to focus on the comparative advantages of cooperation with FAO. It was recalled that the IFAD Policy for Grant Financing was undergoing a CLE and that Management looked forward to the outcome in order to make more strategic use of **grant resources**.
12. It was noted that **resource constraints**, while not the only factor, surely contributed to lower performance, in particular with regard to non-lending activities such as policy dialogue.
13. Clarification was provided on the categorization of fragile and/or conflict-affected state (FSCs) and middle-income countries (MICs). Recognizing that differences existed between the definitions used by the World Bank and the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) and that there was some overlap between FSCs and MICs, IOE advised that this issue would be reviewed in the upcoming evaluation synthesis of MICs and the CLE of fragile states.
14. While welcoming the presentation of the ARRI to the first session of the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10), a member called for an emphasis on the significant improvements that would be visible thanks to the reforms implemented in recent years. Recognizing that the same kinds of issues arose repeatedly in ARRI reports, for example in relation to fragile states, drastic measures may be necessary both to address these issues and demonstrate that IFAD was according these issues their due importance. While the evaluation on fragile states would undoubtedly contribute to lessons learned, IFAD should not wait for the outcome of this evaluation, but rather take action, including through the use of grant resources to address capacity-building in fragile states.
15. **In conclusion, the Chairperson noted that the Committee had reviewed the document and its addendum and endorsed the recommendations contained in the ARRI.**

### **Impact evaluation of the Dry Zone Livelihood Support and Partnership Programme in Sri Lanka**

16. The Committee reviewed document EC 2013/81/W.P.4, the impact evaluation of the Dry Zone Livelihood Support and Partnership Programme (DZLSPP) in Sri Lanka.
17. IOE noted that this evaluation marked the first time that extensive primary data collection and analysis had been undertaken. Important findings were highlighted; both with respect to the impact of the DZLSPP and, from a broader perspective, lessons learned for future impact evaluations, in line with the commitments undertaken in this respect for the IFAD9 period.
18. Both the Committee and Management expressed their appreciation for this important evaluation and commended the ongoing collaboration between IOE and staff in the Statistics and Studies for Development Division in the area of impact evaluations.
19. Recognizing the importance of baseline data, Management informed the Committee that its self-evaluation system had been strengthened in this regard and currently reported 64 per cent compliance as regards baseline surveys, well above the target of 40 per cent set for IFAD9. The issue of availability of control data was also being addressed in new projects while, for older projects, completion surveys of comparator groups were being conducted in order to address this gap to the extent possible. Management would continue to report back to the governing bodies on this issue.
20. Clarifications were provided as regards the availability of disaggregated data on gender, and the fact that monitoring and evaluation (M&E) systems were increasingly providing such data. The issue of the subsidized interest rate in a credit scheme under the DZLSPP was also clarified. With respect to the ideal timing for conducting surveys and the mixed-method approach adopted by IOE, IOE noted that while it would be beneficial to see the full effects of a project after completion, this would curtail the possibility of highlighting issues requiring follow-up in real-time, providing relevant input to project management and, as appropriate, changing the course of action during project implementation. IOE also explained that mixed methods allowed for efficient data collection and rapidly generated key input on possible issues and potential corrective actions.
21. **In conclusion, the Chairperson noted that the document had been reviewed, thanked IOE for the evaluation and congratulated Management on the quality of the programme.**

### **Report on IFAD's Development Effectiveness (RIDE) with comments of the Independent Office of Evaluation of IFAD**

22. The Committee welcomed the seventh edition of the RIDE, together with IOE's comments thereon, respectively contained in documents EC 2013/81/W.P.5 and its addendum. The progress with regard to many of the targets was welcomed, including record levels of cofinancing and strengthened M&E systems. Given the synergies between the ARRI and RIDE reports, it was proposed that these be considered together at future Evaluation Committee sessions.
23. While significant improvements were noted in the presentation of the document itself, including the inclusion of a very informative report on gender, Management took on board the need to strengthen future reporting on the implementation of the Istanbul Programme of Action for Least Developed Countries. The encouraging results highlighted in the RIDE will be reported to the IFAD10 Consultation, including through the IFAD9 midterm review document. The need to translate this information into a suitable format for external audiences was recognized. Management assured the Committee of its intention to find a compelling way to tell "IFAD's story" through concrete results.

24. A number of members agreed with IOE's observation that it would be useful to disaggregate data by region and report systematically on grant performance. Management agreed to work on performance indicators for grants to ensure better reporting on the grants programme in future editions of the RIDE.
  25. In answer to the query about the time elapsing between project approval and effectiveness/commencement of disbursements, it was agreed that improvements were needed. The average time lapse between approval and effectiveness in other IFIs was usually 10-11 months, which represented the time necessary to ensure certain conditions, such as the establishment of sound project management units, were met.
  26. The Committee was advised that the slight decline shown in the performance of fragile states was predominantly the result of a random variation; however, Management was following up on why no improvement had been reported in the area. This could be attributed in part to the higher costs of project management in fragile states and as well as the unpredictability of the country situations and associated impact on disbursements, making planning more difficult.
  27. On the issue of targeting, Management clarified that its target group was the poorest of the poor, those who are bypassed in development processes and most in need of IFAD's interventions. However a balanced picture, portraying target group members in both marginal and non-marginal circumstances was provided in the report.
  28. **In conclusion the Committee applauded the document and welcomed the close relation between the findings of the RIDE and those of the ARRI. The document was deemed reviewed and would be presented for the review of the Executive Board at its December session.**
- Progress report on the CLE on the achievements of IFAD replenishments**
29. The Committee was provided with an oral update regarding the progress made with regard to the CLE on the achievements of IFAD replenishments, the areas requiring further analysis and the time line for finalizing the evaluation.
  30. IOE indicated that the document under preparation for the Committee's review and subsequent consideration by the Executive Board had needed revision in order to strengthen the data, analysis and evidence base. It was proposed that the document be presented to the Evaluation Committee at its March 2014 session, after which it would be considered by the Executive Board at its April 2014 session.
  31. **In conclusion, the Chairperson thanked IOE for its presentation and noted the revised time frame for completion of the CLE.**
- Evaluation synthesis on water conservation and management**
32. The Committee reviewed document EC 2013/81/W.P.6, the Evaluation synthesis on water conservation and management.
  33. Management welcomed the paper and the learning generated by the evaluation synthesis. In general, Management agreed with the conclusions and broadly endorsed the conclusions. In answer to a query as to the lack of an IFAD policy on water, Management indicated that it appreciated such evaluation syntheses precisely because they contributed to good practice, without necessitating preparation of costly and time-consuming policy documents.
  34. The Committee was also assured that regular collaboration with the technical experts involved in the Adaptation to Smallholder Agriculture Programme (ASAP) was ongoing.
  35. **In conclusion, the Committee noted the document, and looked forward to receiving the final report.**

### **Update of the IFAD Country Presence Policy and Strategy**

36. **The Committee considered the IFAD Country Presence Strategy (2014-2016) document (EC 2013/81/W.P.7) and its addendum containing IOE's comments.**
37. There was broad consensus that this was an important issue and several representatives acknowledged the positive contribution of IFAD country offices (ICOs) to the performance of country programmes. In fact, several country programme evaluations indicated that ICOs were critical to success and had improved project implementation support, increased opportunities for policy dialogue and partnership-building, enhanced communication with multiple stakeholders, strengthened monitoring of project progress and raised IFAD's visibility. In response to questions from members it was stressed that these gains were especially noteworthy in ICOs led by an outposted CPM.
38. At the same time, it was noted that IFAD's country presence had risen rapidly in a short period of time and drew attention to the fact that IFAD in its own report pointed out that "it is rather early to assess the impact of ICOs on country performance." Members requested additional information, including a review of experience to date, to provide assurance that the proposed expansion was not premature. A cost-benefit analysis and details of expected savings to be achieved in future would also be much appreciated. Members also asked for information on how IFAD would ensure that ICOs were staffed at an adequate level, given that progress on outposting CPMs had been relatively slow in the past. Some members observed that the late dispatch of the document had not allowed sufficient time for review. The Committee further noted that funds had been requested in the 2014 budget submission to implement the IFAD Country Presence Strategy (2014-2016). This posed a timing issue with respect to approval, as the Board was called upon to approve the budget before considering the Country Presence Strategy. Management recalled that the related costs had already been brought to the attention of the Board in discussing the action plan to improve IFAD's efficiency, following the CLE on efficiency.
39. Management reiterated that the proposal for establishing the country offices was cost-neutral from the perspective of recurrent costs and explained that the proposed budget for 2014 included the one-time establishment cost of US\$1 million for 10 country offices proposed in the paper. This amount was part of the additional resources estimated for implementing the action plan to improve IFAD's efficiency. Management further clarified that the establishment of the proposed offices and incurrence of the one-time establishment costs would be phased over a period of two years.
40. A number of additional clarifications were provided. With respect to the exit strategy, the strategy approved in the country presence policy remained in force – if an ICO is no longer considered necessary it is closed. The procedures were simple thanks to the fact that the offices were rented from other organizations in the country. However, risk mitigation as regards relations with governments needed to be undertaken. The issue of the criteria applied in deciding in which country to establish an ICO was also discussed and members agreed that the number of additional ICOs should be decided based on necessity and available resources, in order to ensure that the performance of country offices was not constrained by insufficient resources.
41. **In conclusion, the members of the Evaluation Committee agreed that more time was needed to review the proposal and present the requested additional information. Further to Management's suggestions, the Committee recommended approval in principle of the overall plan on the understanding that the Board could approve the establishment of additional country offices, not exceeding 10, within the next two years.**

**The exact number, model and location of country offices would be discussed and approved by the Board in April 2014, following review by the Evaluation Committee in March 2014.**

**Other business**

42. As per the Committee's request at its eightieth session, IOE presented a working paper on budget considerations related to the recruitment and appointment of the Director, IOE, outlining the budgetary implications of the process and suggesting a possible way forward by revisiting the schedule of selected evaluations.
43. IOE indicated that, in order to generate savings and not request an increase in its budget submission, it would assume either the lower-case cost scenario or the higher-case cost scenario, as presented in the working paper, depending on the decision of the search panel regarding the use of a headhunting firm.
44. It was noted that use of a headhunting firm was international best practice, but that the decision in this regard rested with the search panel.
45. **In conclusion, the Chairperson thanked IOE for finding the budgetary space within its existing budget to absorb the costs outlined. The document would be submitted to the December session of the Executive Board for consideration together with IOE's work programme and budget submission.**
46. With a view to promoting a more efficient use of time in Evaluation Committee sessions, it was agreed that, since documentation submitted to the Committee's consideration had already been read by members, presentations by IFAD should be reduced to allow more time for discussion among Committee members. Furthermore, it was agreed that every effort should be made to ensure that the minutes of the meeting were concluded and agreed upon prior to the closure of each session.