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Investing in rural people

**President's report on a proposed grant under
the private-sector grants window to
ICF Macro, Inc. for technical support for
ex post impact evaluations**

Note to Executive Board representatives

Focal points:

Technical questions:

Alessandra Garbero
Econometrician
Statistics and Studies for Development Division
Tel.: +39 06 5459 2458
e-mail: a.garbero@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

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Rome, 8-9 April 2014

For: Approval

Recommendation for approval

The Executive Board is invited to approve the recommendation for a proposed grant under the private-sector grants window, as contained in paragraph 7.

President's report on a proposed grant under the private-sector grants window to ICF Macro, Inc. for technical support for ex post impact evaluations

I submit the following report and recommendation on a proposed grant to the private-sector entity **ICF Macro, Inc.** in the amount of US\$500,000.

Part I – Introduction

1. This report recommends the provision of IFAD support to the private-sector entity **ICF Macro, Inc.**
2. The design document of the grant for approval by the Executive Board is contained in the annex to this report: **ICF Macro, Inc. – Technical support for ex post impact evaluations.**
3. The objectives and content of this grant are in line with the evolving strategic objectives of IFAD and the Revised IFAD Policy for Grant Financing.
4. The overarching strategic goal that drives the policy, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (i) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (ii) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (iii) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (iv) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed programme is in line with the goal and outputs of the policy, as it: (i) focuses on pro-poor capacity of partner institutions; and (ii) supports corporate priorities, as expressed in corporate management results (better country programme management, and better project design, implementation support and international engagement and partnership). The programme is also in line with IFAD's Strategic Framework 2011-2015, the IFAD Medium-term Plan 2010-2012 and the strategy of the Statistics and Studies for Development Division.

Part II – Recommendation

7. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance technical support for ex post impact evaluations, shall provide a grant not exceeding five hundred thousand United States dollars (US\$500,000) to ICF Macro, Inc. for a 12-month programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
President

ICF Macro, Inc.: Technical support for ex post impact evaluations

I. Background

1. IFAD has the mandate to improve rural food security and nutrition, and enable rural women and men to overcome poverty. For the Ninth Replenishment of IFAD's Resources (IFAD9), the Fund committed itself to reaching 90 million people through its operations, to moving 80 million people out of poverty between 2010 and 2015, and to demonstrate its achievements through measurable indicators.¹ IFAD also committed itself to undertake 30 rigorous impact assessments² of projects completed between 2010 and 2015 and to provide a synthesis of lessons learned (on poverty reduction and impact evaluation methods) by the end of 2015. The approach to deliver on these two commitments is described in the information paper Methodologies for impact assessments for IFAD9 (EB 2012/107/INF.7).
2. ICF Macro Inc., submitted a proposal to IFAD for five ex post impact evaluations. The proposal provides for the undertaking of ex post impact evaluations of IFAD-supported projects within the available budget of US\$500,000 and describes the proposed methodology and possibilities for adaptation to the impact evaluations of five projects. The overall approach is theory-based, using mixed methods.
3. ICF has been selected because it has more than 30 years of experience conducting population-based surveys – such as the Demographic Health Survey (DHS) – and evaluations in more than 80 countries (in some instances, working with IFAD partners; i.e. in Egypt with El-Zanaty & Associates). ICF has a track record of conducting impact evaluations of development interventions and to this end, has generated knowledge on how to improve the lives of the rural poor, which can be used for evidence-based policymaking. Through the generation of knowledge, ICF has also informed line ministries about their success in reaching six out of eight Millennium Development Goals (namely, to eradicate extreme poverty and hunger; to achieve universal primary education; to promote gender quality and empowering women; to reduce child mortality rates; to improve maternal health; and to combat HIV/AIDS, malaria and other diseases). The selection of the recipient is based on the above well-documented expertise and the assessment by IFAD that all costs are reasonable: the cost coefficient for five evaluations in the countries concerned - US\$80,300 for studies involving primary data collection and US\$56,830 for those based on secondary data - is in line with costs incurred by IFAD for similar activities.

II. Rationale and relevance to IFAD

4. This grant initiative is in line with:
 - (a) the revised IFAD policy for Grant Financing, as it focuses on strengthening the capacity of partner institutions to deliver a range of services in support of poor rural people;
 - (b) IFAD's corporate priorities, as expressed in corporate management results (better country programme management, and better project design, implementation support and international engagement and partnership);
 - (c) IFAD's Strategic Framework 2011-2015;
 - (d) the IFAD Medium-term Plan 2010-2012; and
 - (e) the strategy of the Statistics and Studies for Development Division.

¹ Report of the Consultation on the Ninth Replenishment of IFAD's Resources (GC 35/L.4)

² Including three to six randomized controlled trials, as a separate but linked initiative, funded through the 3IE Agriculture Open Window by the Department for International Development and the Bill & Melinda Gates Foundation.

5. Besides offering technical support to the actual design and implementation of five country-led evaluations, the grant will contribute to strengthening project-level monitoring and evaluation (M&E) capacity and will ensure that project evaluations are integrated within national M&E frameworks and linked to governmental institutions, such as national bureaux of statistics.

III. The proposed programme

6. The overall goal of the grant programme is to increase the use of evidence in policymaking and to understand what works in rural poverty reduction, and where and why it works and under what conditions, by improving the evaluation capacity of projects to generate strong evidence outcomes and impact. In the five countries concerned, support will be provided to the implementing agencies of IFAD-supported projects and other relevant stakeholders to enhance their progress towards poverty reduction, gender empowerment and resilience. The five countries are: Colombia and Nicaragua in the Latin America and the Caribbean region, and Egypt, Sudan and Yemen in the Near East, North Africa and Europe region.
7. The main programme objective is to contribute to the development of global public knowledge of the effectiveness of development agencies' interventions in developing countries to support governments and relevant stakeholders in generating evidence-based policies. Specifically the grant support will facilitate the assessment of the general impact on reducing absolute and relative poverty in the participating countries, and the evidence gathered through the impact evaluations will provide lessons that are specific to the effectiveness of individual operations in the participating countries. Finally, the grant activities will help build the impact evaluation capacity of government officials, local institutions and local evaluation practitioners.
8. Rural poor people are the target group, because measuring the impact of development interventions more effectively will lead to enhanced programming, more efficient allocation of resources and higher impact. This grant will also target the staff of implementing units and partner agencies involved in monitoring and evaluation. It will develop the capacity of implementing agencies and partners in the participating countries to produce high-quality impact evaluations that can be considered "global public goods" and that can inform national policy planning.
9. The programme will be of a 12-month duration and will comprise three main phases: (i) inception phase; (ii) data collection and detailed analysis phase; and (iii) analysis and reporting phase.
10. **Inception phase.** During the inception phase, ICF will provide technical assistance/quality control (TA/QC) and work collaboratively with the relevant IFAD staff and IFAD implementing partners in each of the five countries to oversee a process by which a Theory of Change (ToC) and subsequently, an evaluation design and protocol will be finalized for each project. Additionally, during the inception phase, ICF will have varying levels of involvement, through targeted TA/QC, in the following activities:
 - Reviewing IFAD project-related documents to thoroughly understand each project and the related target group;
 - Discussing issues with IFAD staff and implementing partners to (a) gain consensus on the ToC, evaluation questions, type of beneficiaries, key indicators and data collection methods to be used, (b) define the boundaries of each evaluation, including methods, tools, sampling, etc.
 - Reviewing project baseline data (and, depending on its quality, using the data to calculate the sample size for the impact survey); and
 - Consulting with project staff and providing advice regarding the specific survey firm to be hired (by the project) to undertake the impact survey.

11. Overall, ICF's central activity during the inception phase is to ensure that a high-quality methodological framework and an implementation plan for an ex post impact evaluation are put in place for each of the five projects. The methodology (i.e. the sampling, tools, indicators, survey and interview guides) and the implementation plan (i.e. data collection, data management and/or data analysis) will be tailored to each project in line with the ToC and target population group and finalized in consultation with IFAD.
12. **Data collection and detailed analysis phase.** For data collection, ICF proposes the use of mixed methods. ICF will work closely with IFAD implementing partners and project staff to customize the quantitative and/or qualitative methods and data collection tools for each impact evaluation, paying particular attention to the target population. In providing overarching TQ/QC to support ex post impact evaluations, ICF will draw on its well-established research/evaluation methodologies.
13. **Analysis and reporting phase.** ICF's approach to data analysis includes a thorough exploration of the data to identify trends and patterns that could be useful in refining programmes and targeting specific population subgroups. ICF uses analytic techniques such as propensity score matching and double differencing for evaluating the impact on designated project outcomes. Appropriate sample sizes are determined to guarantee enough statistical power to allow for the identification of project impact as well as to analyse the heterogeneity of impacts among producers or other important subgroups.
14. Bearing in mind this overall approach and depending on the needs of each project, ICF's targeted TA/QC during this phase will entail:
 - Reporting on IFAD project-led analysis of key evaluation questions and the positive consequences of IFAD's intervention on the lives of the targeted population, including key mandatory indicators as formulated by IFAD;
 - Preparation of project-specific impact evaluation reports by each individual project; and
 - Making databases of the surveys and qualitative data available.

IV. Expected outputs and benefits

15. The output of the work supported by this grant will consist of five separate evaluation studies. The recipient will provide the following reports and services (for each impact evaluation):
 - (a) An inception report describing the impact evaluation protocol, including a detailed evaluation framework/design and an implementation plan;
 - (b) Data collection tools;
 - (c) Databases containing the survey data and findings from the qualitative studies;
 - (d) Validation workshop reports;
 - (e) Final evaluation reports, detailing the findings of the evaluation; and
 - (f) Three quarterly reports and one final report that detail the recipient's technical support to each impact evaluation including lessons learned and success stories, as well as summary financial reports.
16. **Main benefits.** An important aspect of ICF's work in research and evaluation is working with clients to disseminate findings in the most effective way and in a manner that leads to programme improvements, and to build the capacity of local partners. The main benefits will be generated by:
 - (a) Providing parties involved in implementing programmes with accurate and practical information they can use to improve existing programmes.

- (b) Providing governmental organizations with information to assist them in policy formulation and programme design; and
 - (c) Providing reports, documents, and datasets to the broader research community.
17. The collaborative work implemented under this grant and the findings and recommendations resulting from the impact evaluations will be compiled by the Statistics and Studies for Development Division and will be disseminated among development agencies, government institutions and other stakeholders. This will allow the countries and IFAD partners to strengthen their capacity regarding impact evaluation methodologies.

V. Implementation arrangements

18. The recipient will deliver inception reports and detailed descriptions of the technical support for ex post impact evaluations in accordance with the budget and financing plan provided in paragraph 28. The proposed timeframe for each impact assessment is approximately 12 months from the date of approval of the grant. ICF has prepared this submission on a time and materials basis.
19. Technical support will be tailored to each country's needs and ICF will draw upon its expertise in impact evaluation design, survey operations management, data processing, data analysis, evaluation reporting, stakeholder engagement and knowledge management.
20. ICF utilizes consistent accounting and financial procedures for all projects, which are subject to audit by ICF's auditors, Grant Thornton. Project expenditures are recorded monthly through ICF's Deltek Costpoint System based on all processed labor timesheets and vendor invoices, which must possess a unique tracking number.
21. The grant shall be disbursed in two instalments. Together with their audited financial statements, ICF shall submit to IFAD a final audit report including an audit opinion letter on the final statement of expenditures, documenting expenditures incurred under the IFAD grant.
22. ICF has conducted population-based surveys in more than 80 countries on topics such as health, food security, media and labour. As a consequence, they have developed numerous partnerships with local research organizations, governmental bodies, NGOs and consultants. While ICF typically provides design, analysis and overall project management support, it is the role of local entities to implement the surveys and evaluation protocols.
23. ICF will make payments to local partners in stages to ensure that deliverables are linked to the release of funds. Regular feedback and communication is also essential and will be incorporated into the workplan.
24. ICF will monitor the progress of the evaluation using a comprehensive monitoring and evaluation (CM&E) approach for the ex post impact evaluations during the inception phase to ensure that ICF, IFAD and local partner institutions are continuously in touch and have an immediate feedback mechanism.
25. ICF will use IFAD guidelines in developing the CM&E plan for the programme.³ These are based on the four key elements of managing for impact:
- (a) Guiding the project strategy for poverty impact;
 - (b) Creating a learning environment;
 - (c) Ensuring effective operations; and
 - (d) Developing and using the CM&E plan.

³ Guijt, I., and J. Woodhill. 2002. Managing for Impact in Rural Development: A Guide for Project M&E. IFAD.

26. ICF will ensure that the entire implementation period is covered by internal and external audit. ICF will have its institutional accounts audited by independent auditors acceptable to the Fund in accordance with International Standards on Auditing. The accounting policies and reporting practices followed by ICF in preparing the financial statements will be in compliance with International Financial Reporting Standards, with separate reports and use of funds thereof.

VI. Indicative programme costs and financing

27. The overall cost of the project is US\$620,000. IFAD's total contribution is US\$500,000. ICF's total in-kind contribution is US\$120,000.
28. The proposed budget for each project will range from US\$56,830 to US\$80,300 (depending on the need to carry out primary data collection versus the use of secondary data). The budget allocation includes the assumption that each country will receive approximately 90 person days of technical support. IFAD financing will be US\$500,000. In addition, the recipient will provide up to US\$120,000 in kind. The contribution provided by the recipient will be applied to existing staff salaries at headquarters and related expenditures to guide and supervise the programme as follows: US\$20,000 for programme preparatory work and US\$100,000 for senior headquarters data processing, analytical, supervisory and editorial staff (five months). Salaries and expenditures financed by IFAD relate to expenditures on salaries of staff and/or consultants performing country evaluation work who are directly assigned to work on this operation. The overall budget is shown below.

Summary of budget and financing plan

(United States dollars)

| <i>Type of expenditure</i> | <i>IFAD</i> | <i>ICF</i> |
|---|----------------|----------------|
| Salaries (including subcontractors) | 321 026 | 120 000 |
| Travel costs | 103 260 | |
| Operational costs, reporting and publications | 25 000 | |
| Training/capacity-building | 13 678 | |
| Overheads/management fees | 37 036 | |
| Total | 500 000 | 120 000 |

Results-based logical framework

| | Objectives-hierarchy | Objectively verifiable indicators | Means of verification | Assumptions |
|-----------------------|---|--|---|---|
| Goal | To increase the availability of evidence in policy making and to understand what works, where, why and under what conditions in agricultural development and rural poverty reduction. | Increased evidence-base, in the form of 5 policy-friendly briefs prepared on the results and policy implication of the 5 impact evaluations | 5 policy-friendly briefs prepared | Policy briefs based on evidence |
| Objectives | <ol style="list-style-type: none"> To contribute in the development of the global public knowledge of the effectiveness of development agencies' interventions in developing countries which will inform government and relevant stakeholders in generating evidence-based policies. To contribute to assess the general impact in the participating countries towards reducing absolute and relative poverty and the evidence gathered through the impact evaluations will provide lessons that are specific to the effectiveness of the interventions put in place in the participating countries. To contribute to build impact evaluation capacity of Government officials, local institutions and local evaluation practitioners. | <p>Number of evidence-based knowledge products for each impact evaluation (i.e. policy briefs)</p> <p>Number of knowledge products on lessons learned on impact of specific interventions</p> <p>Number of learning events/workshops on results and findings of the impact evaluations</p> | <p>Evidence-based knowledge products prepared and disseminated</p> <p>Knowledge products on lessons learned prepared and disseminated</p> <p>Learning events/workshops on results organized</p> | <p>IFAD Country Office, Implementing Agencies, and all relevant stakeholders, effectively collaborate</p> <p>Baseline data and/or other secondary data available</p> <p>Appropriate local service providers identified and available (i.e. for data collection)</p> |
| Outputs | <ol style="list-style-type: none"> An inception report describing the impact evaluation protocol, including a detailed evaluation framework/design and implementation plan. This should include relevant evaluation questions for specific target groups. Data collection tools Databases containing the survey data and findings from the qualitative studies. Validation workshop reports Evaluation reports, detailing the findings of the evaluation. 3 quarterly reports and 1 final report that detail the recipient's technical support to each impact evaluation including lessons learned and success stories. | <p>5 inception report produced</p> <p>5 evaluation reports produced</p> <p>5 validation workshops conducted</p> <p>3 quarterly reports produced</p> <p>1 final summary report produced</p> <p>2-5 data collection tools produced</p> <p>1 databases containing the survey data and findings from the qualitative studies</p> | Reports produced and disseminated | Appropriate comparison groups are identified |
| Key Activities | <ol style="list-style-type: none"> Inception phase Data collection and detailed analysis phase Analysis and reporting phase | 5 inception reports produced | Reports produced and disseminated | |