

Document: EB 2014/112/R.2
Agenda: 3
Date: 7 August 2014
Distribution: Public
Original: English

E



Investing in rural people

High-level preview of IFAD's 2015 results-based programme of work and regular and capital budgets, and the preview of the Independent Office of Evaluation of IFAD's results-based work programme and budget for 2015 and indicative plan for 2016-2017

Note to Executive Board representatives

Focal points:

Technical questions:

Saheed Adegbite

Director
Budget and Organizational Development Unit
Tel.: +39-06 5459 2957
e-mail: s.adegbite@ifad.org

Edward Gallagher

Budget Officer
Tel.: +39-06 5459 2484
e-mail: ed.gallagher@ifad.org

Tilak Sen

Senior Budget Consultant
Tel.: +39-06 5459 2229
e-mail: t.sen@ifad.org

Kees Tuinenburg

Officer-in-Charge
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: k.tuinenburg@ifad.org

Dispatch of documentation:

Deirdre McGrenra

Governing Bodies Officer
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

Executive Board — 112th Session
Rome, 17-18 September 2014

For: Review

Contents

Abbreviations and acronyms	ii
Executive summary	iii
Part one – High-level preview of IFAD’s 2015 results-based programme of work and administrative and capital budgets	1
I. IFAD’s programme of work for 2015	1
II. Medium-term plan and corporate objectives	2
III. Gender sensitivity of IFAD’s loans and budget	3
IV. Update on 2014 programme of loans and grants	3
V. IFAD’s regular budget	4
A. 2013 and 2014 net regular budget usage	4
B. Strategic workforce planning exercise	4
C. 2015 cost drivers	5
D. 2015 net regular budget proposal	6
E. 2015 gross budget proposal	7
F. Capital budget and one-time costs for 2015	8
Part two – Preview of the results-based work programme and budget for 2015 and indicative plan for 2016-2017 of the Independent Office of Evaluation of IFAD	9
I. Introduction	9
II. Key insights from the implementation of the 2014 work programme	10
III. Current perspective	10
A. Highlights of 2014	10
B. 2014 budget utilization	11
C. Utilization of the 2013 carry-forward	12
IV. IOE strategic objectives	13
V. 2015 work programme	13
VI. 2015 resource envelope	17
A. Staff resources	17
B. Budget proposal	17
Annexes	
I. IOE strategic objectives, divisional management results and outputs for 2015	21
II. IOE results measurement framework for 2014	22
III. IOE reporting on achievements as at end-June 2014	23
IV. IOE proposed evaluation activities for 2015 and indicative plan for 2016-2017	29
V. IOE staff levels for 2015	32
VI. IOE proposed budget for 2015	33
VII. IOE Selectivity framework	36

Abbreviations and acronyms

ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
CLEE	Corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations
CMR	corporate management result
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPMT	country programme management team
DMR	divisional management result
DSF	Debt Sustainability Framework
ECG	Evaluation Cooperation Group
FAO	Food and Agriculture Organization of the United Nations
ICT	information and communications technology
IOE	Independent Office of Evaluation of IFAD
LGS	Loans and Grants System
NONIE	Network of Networks on Impact Evaluation
OSC	Operational Strategy and Policy Guidance Committee
PCR	project completion report
PCRV	project completion report validation
PMD	Programme Management Department
PPA	project performance assessment
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
SDC	Swiss Agency for Development and Cooperation
UNEG	United Nations Evaluation Group
WFP	World Food Programme

Executive summary

1. In 2015, Management proposes to complete the planned programme of loans and grants of US\$3 billion for the three-year period of IFAD's Ninth Replenishment (2013-2015), with an approximately US\$1.056 billion lending level for 2015 inclusive of funding under the Adaptation for Smallholder Agriculture Programme (ASAP). This programme of loans and grants assumes the successful outcome of negotiations to make use of borrowings from KfW Development Bank. In addition to this core programme, the Fund will aim to leverage an additional US\$200 million in 2015 in IFAD-managed resources from other sources.
2. Some 38 projects and programmes including additional financing for seven ongoing loans and grants are currently planned for approval in 2015, including six projects and programmes with financing from ASAP. Management expects to meet its IFAD9 commitment to provide between 40 and 50 per cent of financing to sub-Saharan Africa. The estimated number of global/regional and country grants in 2015 is 50, for a total of US\$50 million.
3. Through its efforts to mobilize additional resources (US\$1.690 billion) in the form of cofinancing, Management expects to support an overall programme of work (POW) in 2015 of approximately US\$2.746 billion in new commitments to rural transformation through smallholder development. The POW will include the core programme of loans and grants of US\$1.056 billion, US\$200 million in cofinancing directly managed by IFAD and the balance from international, domestic and private-sector cofinancing.
4. In response to commitments made in the IFAD Policy on Gender Equality and Women's Empowerment and requirements pursuant to the United Nations System-wide Action Plan (SWAP) on gender, IFAD has developed a methodology to take gender considerations into account in IFAD's loan portfolio and the regular budget. The methodology was modified in the course of 2014 to better reflect the distribution of gender-related activities in the regular budget. Once the detailed figures of the regular budget are available, the budget distribution by gender-related activities will be included in the final budget document in December.
5. Management reaffirms its commitment to incorporate the recommendations of the Corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations (CLEE) as part of the proposed action plan¹ to make IFAD a more effective, efficient and agile institution. An update on progress made under the action plan will be provided separately as part of the follow-up report on the CLEE. Some of the actions had substantial capital and recurrent budgetary implications and were included as annex 1 (Proposed actions in response to CLEE recommendations) of the final 2014 budget document.² The recurrent cost of implementing the action plan in 2014 and 2015 were also indicated in annex 1 of the 2014 budget document. Expenses related to 2015 will now need to be considered in the 2015 budget.
6. Hence, in the short term there will be an increase in budgetary requirements while the efficiency gains arising from streamlined business processes, automation and increased selectivity are expected over the medium term. While some of the actions may lead to efficiency gains, many are effectiveness-related operational actions which will lead to improved quality of programme delivery and knowledge retention within the organization, but will add to recurrent costs in 2015. As these real increases will be factored into the 2015 high-level budget proposal, corresponding real reductions have to be found within the organization in order to limit real increases to an absolute minimum in the overall budget.

¹ IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency (EB/2013/109/R.12)

² EB/2013/110/R.2

7. Consequently, in preparing the 2015 high-level budget proposal, difficult trade-offs had to be made to accommodate the 2015 portion of the CLEE-driven recurrent costs and to address remaining structural budgetary issues, as well as to absorb a substantial part of normal price-related cost increases in order to keep the final budgetary increase to a minimum. The main cost drivers determining final budgetary allocations in 2015 will be recurrent costs related to: (i) the Loans and Grants System (LGS) replacement project; (ii) CLEE actions; (iii) the strategic workforce planning (SWP) and organizational development exercise; (iv) other cost drivers; and (v) price-related cost drivers, which are explained in more detail in the document.
8. The high-level net regular budget for 2015 is proposed at US\$152.25 million, representing a 1.7 per cent nominal increase over 2014, of which 0.9 per cent represents a real/volume increase and 0.8 per cent a net price increase arising from inflation. The 0.9 per cent real increase will partially cover additional expenses for: depreciation of the LGS replacement system, CLEE-related recurrent costs, cost of additional staff full-time equivalents, full-year effect of staff positions partially budgeted for in 2014, and additional maintenance and depreciation costs of approved information technology (IT) capital projects. The 0.8 per cent price increase reflects the portion of the impact of the assumed average 2.1 per cent inflation that could not be absorbed.
9. The cumulative amount of the cost increases associated with the above corporate decisions and the assumed inflation rate exceeds the overall proposed budget increase of 1.7 per cent. Therefore, cost cuts in real terms will have to be made in other areas to contain the budget at the above level. The cost implications will be revisited during the detailed budget preparation stage and a final budget proposal will be made taking into account the feedback received from the Executive Board in September 2014.
10. In considering the overall budget it may be noted that annual inflationary increases of approximately 2 per cent have been absorbed within the budget in 2013 and 2014 (since the increase in 2014 was entirely due to additional activities arising from the CLEE action plan and LGS implementation) and, if part of the 2015 inflation were also to be absorbed, then during the three-year period 2013-2015 an aggregate amount of over 5 per cent will have come from real decreases in the overall budget.
11. The gross budget for 2015 amounts to US\$157.75 million, including resources to manage supplementary funded operations, which amount to US\$5.5 million (over and above the US\$152.25 million). The slightly higher than prior year estimate reflects the requirements of the third year of ASAP implementation and other new supplementary funds such as European Union (EU) funding. The amount can be fully recovered from the annual allocable portion of the fee income generated from the management of supplementary funds. Endorsement is only being sought for the proposed net regular budget of US\$152.25 million.
12. Management is currently working on the capital budget proposal. Although amounts have not been finalized, Management is preparing requests for a capital budget to cover primarily necessary investments for IT, security and facilities. It is proposed that the capital budget be split into two categories, namely: (i) a capital budget to fund major IT and other investment projects; and (ii) an annual capital budget to cover capital expenditures that are cyclical or regular in nature and have an economic life of more than one year (e.g. normal replacement of desktops and laptops undertaken every year). The total capital budget for 2015 is not expected to exceed US\$4 million.
13. Table 1 sets out a tentative high-level summary of the total net regular budget proposal for 2015 by cluster.

Table 1
Indicative results and process matrix for results-based budgeting in IFAD and 2015 proposed budgets

<i>Cluster</i>	<i>Outcome</i>	<i>Corporate management result (CMR)</i>	<i>Process</i>	<i>2015 proposed</i>
	<i>Operational</i>			<i>US\$ million</i>
1	Effective national policy, harmonization, programming, institutional and investment frameworks for rural poverty reduction	CMR 1 – Better country programme management CMR 2 – Better project design (loans and grants) CMR 3 – Better supervision and implementation support	Country programme development and implementation	89.80
2	Supportive global resource mobilization and policy framework for rural poverty reduction	CMR 8 – Better inputs into global policy dialogue for rural poverty reduction CMR 10 – Increased mobilization of resources for rural poverty reduction	High-level policy dialogue, resource mobilization and strategic communication	12.00
	<i>Institutional support</i>			
3	An effective and efficient management and institutional service platform at headquarters and in-country for achievement of operational results	CMR 4 – Better financial resource management CMR 5 – Better human resource management CMR 6 – Better results and risk management CMR 7 – Better administrative efficiency and an enabling work and information and communications technology (ICT) environment	Corporate management, reform and administration	38.47
4	Effective and efficient functioning of IFAD's governing bodies	CMR 9 – Effective and efficient platform for members' governance of IFAD	Support to members' governance activities	8.50
Total 2015 regular budget proposed for clusters 1-4				148.77
Corporate cost centre				3.48
Total net regular administrative budget proposed for 2015				152.25
2015 capital budget (high-level estimate)				4

14. In accordance with regulation VII of the Financial Regulations of IFAD, medium-term budgetary projections on the basis of projected income flows to the Fund from all sources and projected disbursements based on operational plans covering the same period are shown in table 2. It should be noted that table 2 is indicative and for information purposes only.

Table 2
Medium-term budgetary projections on the basis of projected inflows and outflows (all sources)
(Millions of United States dollars)

	<i>Actual 2013</i>	<i>Projected 2014</i>	<i>Projected 2015</i>	<i>Projected 2016</i>
Resource balance carried forward at start of year	2 287	2 362	2 248	2 181
Inflows to IFAD				
Loan reflows	263	312	324	342
Investment income	(24)	(19)	9	17
Loan to IFAD	0	125	275	0
Supplementary fund fees	24	6	6	6
Subtotal	263	424	614	365
Outflows from IFAD				
Administrative and IOE budget	(145)	(152)	(157)	(162)
Other administrative expenses*	(5)	(4)	(3)	(2)
Capital budget	(7)	(5)	(5)	(5)
Debt service on loan to IFAD	0	(1)	(4)	(4)
Costs funded by supplementary fund fees	(5)	(5)	(6)	(6)
FX and intra-fund adjustments	(26)	-	-	-
Subtotal	(188)	(167)	(175)	(179)
Net inflows/outflows to IFAD	75	257	439	186
Programme of work related activities				
Contributions	346	390	300	425
Contributions (ASAP)	346	7	0	0
Disbursements	(672)	(754)	(777)	(817)
Heavily Indebted Poor Countries impact	(20)	(14)	(29)	(27)
Subtotal	0	(371)	(506)	(419)
Net inflows/(outflows) on all activities	75	(114)	(67)	(233)
Resource balance brought forward at end of year	2 362	2 248	2 181	1 948

* Other administrative expenses include one-time budgets and carry-forward resources.

Part one – High-level preview of IFAD’s 2015 results-based programme of work and administrative and capital budgets

I. IFAD’s programme of work for 2015

- As indicated in the 2014 programme of work and budget approved by the Governing Council in February 2014, and at the midpoint of the IFAD9 period, IFAD has maintained a projected programme of loans and grants of US\$3 billion. For 2015, the projected programme of loans and grants is US\$1,056 million. In addition to this core programme, the Fund will aim to mobilize additional resources from other sources.

Table 1
Actual and projected programme of loans and grants
(Millions of United States dollars)

	2010	2011	2012	2013	2014	2015
	<i>Actual</i>				<i>Forecast</i>	<i>Planned</i>
IFAD loans and Debt Sustainability Framework (DSF) grants	794	947	968	834	1 010	1 006
IFAD grants	51	50	69	50	50	50
Total IFAD programme of loans and grants^a	845	997	1 037	884	1 060	1 056
Other funds under IFAD management (estimated) ^b	59	191	231	197	200	200
Total	904	1 188	1 268	1 081	1 260	1 256

Sources: Actual programme of loans and grants: 2013 Annual Report; projected programme of loans and grants for 2014 and 2015: GRIPS

^a Includes ASAP resources.

^b Other funds managed by IFAD, including the Spanish Food Security Cofinancing Facility Trust Fund, GEF/LCCD, GAFSP, European Commission and European Union, in addition to bilateral supplementary/complementary grants.

- Some 38 projects and programmes, including additional financing for seven ongoing loans and grants, are currently being prepared for approval during 2015. Some six projects and programmes are planned to benefit from financing from the Adaptation for Smallholder Agriculture Programme (ASAP). IFAD expects to meet its IFAD9 commitment to provide between 40 and 50 per cent of financing to sub-Saharan Africa.
- An enhanced methodology is being developed to capture the anticipated attribution of IFAD’s proposed lending and DSF grant programme for 2015 among the eight areas of thematic engagement established in the Strategic Framework 2011-2015. The indicative results will be included in the 2015 results-based programme of work document to be presented to the Executive Board in December 2014.
- The estimated number of global/regional and country grants in 2015 is 50, for a total of US\$50 million. The principal objectives of the regular grant programme will continue to be to:
 - Promote innovative activities and develop innovative technologies and approaches to support IFAD’s target group;
 - Further awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by this target group;
 - Strengthen capacity of partner institutions to deliver a range of services to support poor rural people; and

- Increase lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction among stakeholders within and across regions.

II. Medium-term plan and corporate objectives

5. The rolling Medium-Term Plan in 2015 will essentially follow the same corporate development and operational objectives that were originally set out for the 2013-2015 period, as follows:
 - (i) Achieve a programme of loans and grants of US\$3 billion and mobilize additional cofinancing of US\$1.6 for every US\$1 of IFAD loans/grants;
 - (ii) Improve the quality of new and ongoing projects to the level of 2015 RMF targets through better project design and supervision;
 - (iii) Improve monitoring and evaluation (M&E) systems and undertake impact assessments; and
 - (iv) Become more efficient (less IFAD cost per US dollar lent or granted).
6. IFAD will continue with its scaling-up effort to ensure that the innovations it introduces have a significant impact on reducing rural poverty, while maintaining its focus on environment and climate change. At the same time, more effort will be exerted to enhance cofinancing with the private sector.
7. IFAD's corporate internal management objectives remain fundamentally the same, namely: (i) successful resource mobilization; (ii) improved human resource management; (iii) continuation of annual SWP exercises; and (iv) an enhanced ICT platform for automated disbursements and improved communications.
8. While IFAD's updated operational plan for 2014-2015 continues to be guided by the priorities and targets that shaped the Medium-term Plan 2013-2015, it will be modified to respond to internal and external trends that unfolded in 2013 and 2014. The main developments motivating revision of IFAD's operational plan for 2014-2015 plan are summarized below.
9. The IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency³ (IAPE), which addresses the agreed recommendations of the CLEE, is one of the principal change drivers of the 2014-2015 operational plan. Several of the actions it recommends have substantial budgetary implications in the short term, but are expected to lead to enhanced operational results and impacts and efficiency gains in the medium term. This has been clearly reflected in the 2014 budget document (annex 1).
10. Other changes have been driven by corporate performance and institutional risk assessments. While results reported in the 2013 Report on IFAD's Development Effectiveness⁴ (RIDE) show that IFAD is making good progress towards fulfilling IFAD9 commitments and most performance targets,⁵ some areas such as project efficiency and projects reported at risk need to be addressed. IAPE will constitute an important part of IFAD's remedial response to these issues, in particular with respect to project efficiency. Also in this connection, efforts to strengthen IFAD's business model in fragile states will be stepped up, and priority will be given to these countries in opening country offices.
11. Declines in Official Development Assistance (ODA), and important shifts in development finance flows and modalities will result in financial resource

³ Document: EB 2013/109/R.12

⁴ Document EB 2013/110/R.12

⁵ For example, in increasing the number of beneficiaries receiving services from IFAD-funded projects; improving project outcomes as measured at project completion (for replication and scaling up; rural poverty impact; environment and natural resource management; gender equality; market development; and human empowerment and social capital); and speeding up disbursement processing and the time from project approval to first disbursement.

constraints having implications with respect to fulfillment of scaling up objectives and cofinancing targets. Therefore, IFAD will need to intensify its resource mobilization efforts through new partnerships and instruments.

12. As noted last year, there will be no expansion in the total programme of loans and grants during the IFAD9 three-year period. Instead, the emphasis will be on achieving greater efficiencies in the medium term, making IFAD's delivery model significantly more effective, and further enhancing the quality of IFAD's project design and portfolio. As a result, an increase in costs may be anticipated in the short run.

III. Gender sensitivity of IFAD's loans and budget

13. In response to commitments made in the IFAD Policy on Gender Equality and Women's Empowerment and requirements pursuant to the United Nations System-wide Action Plan (SWAP) on gender, IFAD has developed a methodology to take gender considerations into account in IFAD's loan portfolio and the regular budget.
14. Two separate methodologies were developed last year for: (a) conducting an ex ante analysis of gender sensitivity in IFAD loans; and (b) identifying the distribution of the regular budget for gender-related activities, as follows.
 - (a) **Gender sensitivity of IFAD loans:** In 2014, an analysis will be conducted on a new set of loans amounting to US\$882 million that were approved by the Executive Board between September 2013 to April 2014, which coincides with the RIDE reporting period. The results of the analysis will be provided in the final budget document to be submitted to the Executive Board in December 2014.
 - (b) **Gender sensitivity of IFAD's regular budget:**⁶ The first attempt to quantify the gender sensitivity of IFAD's regular budget was presented in the 2014 budget document. To this end, the budget system was adjusted to create 10 additional fields to capture ex ante gender-related and supporting activities. A more accurate method of capturing gender-related data with better attribution has now been integrated into the budget preparation process. This is expected to more comprehensively capture sensitivity in IFAD's regular budget within the constraints of the currently available IT systems. The outputs from this analysis are expected to improve, and higher gender sensitivity percentages are anticipated.
15. The results of the gender sensitivity analysis of both the loans and regular budget will be provided in the final budget document in December. IFAD will continue to improve both the approach and data collection to further enhance reporting on gender sensitivity and will seek inputs from other organizations undertaking similar work, if available.

IV. Update on 2014 programme of loans and grants

16. As at 15 July 2014, IFAD is on track to deliver a projected programme of loans and grants for 2014 of US\$1,060 million, comprising an investment programme amounting to approximately US\$1,010 million in support of 37 new projects and additional financing for six ongoing projects. By the end of September 2014, it is estimated that financing will have been approved for 20 new projects and additional financing for five. Of the remaining 17 new projects and one additional financing proposal, nine are at an advanced stage in the design process.
17. Under IFAD's global, regional and country grant programme, some 60 grants are expected to be approved by the end of 2014 for a value of US\$50 million.

⁶ Further details on regular budget distribution for gender-related activities will be provided in the final budget document in December.

Portfolio

18. As at 15 July 2014, there are 249 projects in the current portfolio for a value of US\$5.8 billion and an active grant portfolio comprising 227 grants valued at US\$194.8 million. Projected disbursements for the year are estimated at US\$754 million, as shown in table 2 in the executive summary.

V. IFAD's regular budget

A. 2013 and 2014 net regular budget usage

19. Actual expenditure against the 2013 regular budget amounted to US\$139.09 million or 96.5 per cent of the approved budget of US\$144.14 million. Most of the savings were generated from staff costs due to vacant positions and lower actual costs compared to standard staff costs used for budgeting purposes. There were also savings in the travel and consultancy budgets due to prudent cost management. The underspend also includes the non-utilization of professional salary increase provision (US\$679,000) as agreed with the Executive Board.
20. Based on current projections, utilization of the 2014 budget is expected to reach 98.5 per cent. The less than full utilization of the budget can be attributed to several high-level vacancies and across-the-board vacant positions. As in previous years, some savings are anticipated from lower actual staff costs as compared to standard costs used for budgeting purposes. The 2014 third and fourth quarter expenditures are expected to be substantially higher than in the first half of the year due to the nature of the annual programming cycle. Should a better picture emerge, the expected year-end utilization will be adjusted accordingly and included in the final budget document.

Table 2

Regular budget utilization – actual 2013 and forecast 2014

(Millions of United States dollars)

	2013 full year		2014 forecast	
	Budget	Actual	Budget	Forecast
Regular budget	144.14	139.09	149.64	147.40
Percentage utilization	96.5%		98.5%	

21. A more detailed breakdown of actual budget usage for 2013 and forecasted utilization for 2014, disaggregated by cluster, will be provided in the final budget document.
- ### B. Strategic workforce planning exercise
22. This year's SWP exercise began in early May, much earlier than last year, so that the initial outcomes of the required staffing level for 2015 could be used as a guide in estimating staff costs for the high-level preview of the 2015 budget.
23. The fundamental objective of the exercise remained the same: to ensure that IFAD has the requisite workforce in terms of numbers, competencies and skills to enable it to deliver on the key strategic objectives for the IFAD9 period. The specific priorities for the 2015 SWP exercise were identified as: (i) programme delivery; (ii) administration and governance of additional resource mobilization; and (iii) support to country offices.
24. Management remains committed to absorbing into the regular budget, staff performing core functions currently funded from other ad hoc funding sources. In addition, Management plans to continue to regularize short-term staff and consultants performing core and continuous functions. A significant number of short-term staff was regularized and the incremental cost due to the difference between fixed-term and short-term staff/consultants was absorbed in the 2014 budget. Due to budgetary constraints, a significant absorption of staff funded from other ad hoc sources to the regular budget will not be possible. However, in

preparing the final 2015 budget, once more detailed costs are available and subject to budget availability, an attempt will be made to both absorb (partly or fully) and regularize (on a case-to-case basis) to the extent possible.

C. 2015 cost drivers

25. In preparing the 2015 high-level budget proposal, difficult trade-offs had to be made to accommodate the 2015 portion of the CLEE-driven recurrent costs and to address remaining structural budgetary issues, as well as to absorb a substantial part of normal price-related cost increases in order to contain the final budgetary increase to a minimum level. There are several competing priorities requiring substantial budgetary and human resources, and stringent prioritization will have to be exercised in order to achieve minimal budget growth. In preparing the final budget and containing budget increases, it may be necessary to revisit some of the corporate decisions taken in prior years and test them for affordability in the current constrained budget scenario.
26. The main cost drivers that will determine final budgetary allocations in 2015 will be recurrent costs related to (i) the Loans and Grants System (LGS) replacement project; (ii) CLEE-driven cost drivers; (iii) the strategic workforce planning (SWP) and organizational development exercise; (iv) other cost drivers; and (v) price-related cost increases.

Costs associated with the Loans and Grants System replacement project

27. The first phase of the LGS replacement system went live at the end of 2013. Recurrent costs of US\$2.28 million, comprising additional staff costs, licensing and maintenance fees and depreciation, were included in the 2014 budget. In the 2014 budget document, an additional US\$1 million was estimated as depreciation in 2015 for the next phase of the project, which constitutes a real increase. This estimate will be revisited based on the progress of the project and a revised estimate of recurrent costs, including associated licensing fees and maintenance costs, will be provided in the final 2015 budget document.

CLEE-driven cost drivers

28. The 2014 budget document indicated that there would be significant budgetary needs in 2014 and 2015 in addressing the CLEE recommendations. Aside from capital and one-time costs, several recurrent costs associated with implementing the CLEE action plan directly related to increased country presence, improved portfolio quality, enhanced delivery on the ground, and increased overall IFAD effectiveness were anticipated with no immediate reduction in costs.
29. Recurrent costs of US\$2 million were included in the 2014 budget and the balance of US\$600,000 in real increases was to be part of the 2015 budget, as indicated in annex 1 of the 2014 budget document. In addition, establishing a minimum of even five new ICOs in 2015 will have a real incremental recurrent cost of approximately US\$500,000, excluding staff costs associated with new ICOs, on the assumption that staffing increases in ICO's will eventually be offset by corresponding reductions at headquarters. These estimates will be refined for the final 2015 budget proposal.

Strategic workforce planning and organizational development exercise

30. The initial assessment of staffing requirements arising from this year's annual SWP exercise estimates a slight increase in staff numbers, the majority of which relates to country offices and operational requirements. The cost of the staff increase in 2015 and the full-year effect of CLEE-driven new technical positions in 2014 may have a real net incremental cost of as much as US\$1.25 million, adjusted for proposed reductions in staff positions. In addition, there will be a price increase associated with the full-year effect of the SWP-recommended position reclassifications approved in 2014.
31. As noted earlier, Management will continue to: (i) transparently mainstream the cost of the remaining staff performing core functions who are still being funded

from ad hoc sources; and (ii) regularize short-term staff/consultants performing core and continuous functions. The cost of absorption from other ad hoc sources could reach US\$1.36 million and the cost of regularization is estimated at US\$200,000. The cost of absorption will constitute a real/volume increase with respect to the regular budget, while the incremental cost of regularization should be considered as part of price increases. The extent to which these, including the SWP staffing requirement, can be included will depend on the available budget after meeting other priority budgetary demands.

Other cost drivers

32. With additional systems coming on board arising from the capital budget approved in prior years, there will be an increase in maintenance, support and licensing costs, as well as real increases for depreciation of capital expenditure projects coming on stream. These costs will be estimated and included in 2015 final budget proposal as part of the real increase component of budget growth.

Price-related cost drivers

33. Staff costs for the 2015 budget are based on the following assumptions:
- (i) There will be no increase in staff salaries in 2015 for either General Service or Professional grades.
 - (ii) The cost of new General Service recruits is based on the new lower salary scale approved by Management. The impact of this lower salary scale is still negligible as there have been very few new recruits in the past two years.
 - (iii) The provision of US\$679,000 made for Professional staff salaries in 2012 will continue to be set aside in the corporate cost centre and will not be spent without the endorsement of the Executive Board.
 - (iv) For all staff, the normal step increase, which constitutes a price increase, will be absorbed within the regular budget. The annual step increase for both categories of staff has been absorbed since 2012 and it is unlikely that this can be achieved in the coming years. Future budgets will have to make provision for this price-related increase.
34. The 2015 budget currently includes a weighted inflationary increase of 2.1 per cent on non-staff costs, based on inflation rates confirmed with the other Rome-based agencies. For 2015, it is unlikely that this inflation-related price increase will be fully absorbed and therefore the 0.8 per cent price increase is being sought. It may be noted that while the weighted inflationary increase is estimated at 2.1 per cent, there are several expense categories, such as travel and location-specific expenses, which are subject to significantly higher annual price increases beyond the assumed 2.1 per cent. Full absorption of the price increase in 2013 and 2014 and partial absorption in 2015 is in effect a real reduction in the overall budget.
35. The exchange rate used for preparing the high-level preview for 2015 has been retained at the same level as 2014 (€ 0.722:US\$1). This rate will be revisited at the time of preparing the final budget proposal.

D. 2015 net regular budget proposal

36. There has been no or minimal increase in IFAD's regular budget over the last three years preceding 2014. The increase in 2014 was primarily related to the CLEE and LGS. The budget proposal for 2015 plans to cover as much of the cost drivers noted above without affecting the overall quality and effectiveness of programme delivery, while at the same time maintaining the current drive to address structural budgetary issues and implement automation leading to more cost efficient delivery.
37. The high-level net regular budget for 2015 is proposed at US\$152.25 million, representing a 1.7 per cent nominal increase over 2014, of which 0.9 per cent represents a real/volume increase and 0.8 per cent a net price increase arising from

inflation. The 0.9 per cent real increase will partially cover additional expenses for the following items: depreciation of the LGS replacement system, CLEE-related recurrent costs, the cost of additional staff full-time equivalents, the full-year effect of staff positions partially budgeted for in 2014, and additional maintenance and depreciation costs for approved IT capital projects. The 0.8 per cent price increase reflects the portion of the impact of the assumed average 2.1 per cent inflation that could not be absorbed. It should also be noted that the overall increase of 1.7 per cent is below the inflation rate for 2015 and therefore in absolute terms reflects a real decrease in the budget.

38. The 2014 budget document projected a real increase of US\$1.86 million or 1.2 per cent for the balance of LGS and CLEE-related recurrent costs in 2015. The current proposal of a 0.9 per cent real increase is lower than last year's projection. This was achieved by making real reductions in other areas. As noted above, the price increase of 0.8 per cent is significantly lower than the assumed inflation rate of 2.1 per cent.
39. Based on feedback received from the Executive Board on this high-level preview, the current estimates will be refined and the final real and price-related increases will be submitted for approval in December 2014.
40. The current year's budget proposal is set out in table 3.

Table 3

Analysis of percentage share of regular budget by results cluster, 2014 and 2015

(Millions of United States dollars)

<i>Results cluster</i>	<i>Approved 2014</i>	<i>Proposed 2015</i>	<i>2014 %</i>	<i>2015 %</i>
1 Country programme development and implementation	87.73	89.80	58.7%	59.0%
2 High-level policy dialogue, resource mobilization and strategic communication	12.24	12.00	8.2%	7.9%
3 Corporate management, reform and administration	37.47	38.47	25.0%	25.3%
4 Support to members' governance activities	8.72	8.50	5.8%	5.6%
Corporate cost centre	2.80	2.80	1.9%	1.8%
2012 Professional salary Increase (withheld)	0.68	0.68	0.4%	0.4%
Total	149.64	152.25	100%	100%

41. The initial estimates prepared for the proposed budget show a slight increase in cluster 1 from 58.7 per cent of total resources in 2014 to 59.0 per cent in 2015. The slight increase is due to the cluster 1 share of the initial outcome of the SWP exercise and the proportionate allocation of recurrent costs for the LGS replacement project, which primarily benefits the operational area.

E. 2015 gross budget proposal

42. IFAD implements and manages a number of operations for third parties that are external but complementary to IFAD's programme of loans and grants. These operations are financed from supplementary funds. Engaging in these partnership activities involves additional incremental costs to IFAD in design, implementation, supervision and administration. These costs are usually funded from management fee income under the supplementary fund agreement.
43. The gross budget for 2015 amounts to US\$157.75 million, including resources to manage the supplementary funded operations, which amount to US\$5.5 million (over and above the US\$152.25 million). The slightly higher than prior year estimate reflects the requirements of the third year of ASAP implementation and other new supplementary funds such as European Union funding. The amount can be fully recovered from the annual allocable portion of the fee income generated from the management of supplementary funds. Endorsement is only being sought for the proposed net regular budget of US\$152.25 million.

Table 4
Indicative gross and net budget for 2015
(Millions of United States dollars)

<i>Cost category</i>	<i>2014</i>	<i>2015</i>
Gross budget	155.0	157.75
Costs to support Supplementary Fund activities	(5.36)	(5.50)
Net budget	149.64	152.25

F. Capital budget and one-time costs for 2015

44. Management is currently working on the capital budget proposal. Although amounts have not been finalized, Management is preparing requests for a capital budget to cover primarily new IT investments. It is proposed that the capital budget be split into two categories, namely: (i) a capital budget to fund major IT and other investment projects; and (ii) an annual capital budget to cover capital expenditures that are cyclical or regular in nature and have an economic life of more than one year (e.g. normal replacement of desktops and laptops undertaken every year). The total capital budget for 2015 is not expected to exceed US\$4 million.

Part two – Preview of the results-based work programme and budget for 2015 and indicative plan for 2016-2017 of the Independent Office of Evaluation of IFAD

I. Introduction

1. This document contains a preview of the work programme and budget for 2015 and indicative plan for 2016-2017 of the Independent Office of Evaluation of IFAD (IOE). In line with the IFAD Evaluation Policy (2011), the IOE budget and IFAD's administrative budget are developed independently of each other.⁷ As in the past, the proposed IOE work programme document for 2015 has been developed on the basis of consultations with IFAD Management, taking into account IFAD's priorities for the Ninth Replenishment of IFAD's Resources (IFAD9) period (2013-2015) and the ongoing discussions in the context of IFAD10. The comments made last year by the Evaluation and Audit Committees and by the Executive Board have also been taken into consideration. In addition, the document was discussed at the 84th session of the Evaluation Committee on 2 July 2014, and the main suggestions have been included in this version.
2. Building on the new format and structure developed in 2013, this preview presents the proposed IOE work programme and budget "based on a critical assessment of needs, rather than simply using the current budget as a baseline."⁸ It also aims to strengthen the linkage between the work programme and expenditures and provide greater detail in the breakdown of budgeted costs, particularly non-staff costs, including those related to consultants. Details of actual expenditures for 2013, budget utilization up to 30 April 2014 and current estimates of expected 2014 year-end utilization are also provided. The final document with updated information on 2014 utilization will be submitted to the Board in December 2014.
3. This year IOE introduced two new features into its work programme and budget document: (i) reported progress against the key performance indicators contained in IOE's results measurement framework, as adopted by the Board in December 2013; and (ii) a selectivity framework to guide the choice of IFAD-funded projects to undergo impact evaluation by IOE. These new features will be explained in section III, A: Current Perspective: Highlights of 2014.
4. The document has been organized into six sections. Section II briefly describes the main insights emerging thus far from the implementation of the 2014 work programme; section III highlights the achievements of the 2014 evaluation work programme, the overall 2013 budget utilization, 2014 budget utilization as of end-April 2014 and projected utilization for 2014, and use of the 3 per cent carry-forward from the 2013 IOE budget; section IV provides a brief description of IOE's strategic objectives; and section V focuses on the proposed evaluation activities for 2015. Lastly, section VI outlines the initial proposal for the 2015 budget and human resources required by IOE to implement its work programme and achieve its main objectives in an effective and timely manner.
5. This document contains a summary of the work programme and budget preview for 2015. The document will be further developed, following comments by the Audit Committee and the Executive Board during their September 2014 sessions. The revised document will be discussed at the Evaluation Committee session on 10 October 2014. The final document will then be considered by the Executive Board in December 2014. Prior to this, as per past practice, the budget proposal

⁷ "The levels of the IOE component and ... IFAD's administrative budget will be determined independently of each other." IFAD Evaluation Policy, p. 11.

⁸ See Minutes of the 107th session of the Executive Board, pp. 29.

will be considered by the Audit Committee in November 2014, together with IFAD's 2015 administrative budget. Finally, the budget will be submitted, upon the recommendation of the Board in December 2014, to the Governing Council in 2015 for approval. On a process-related issue, it is important to highlight that IOE has strengthened its dialogue with IFAD's Budget and Organizational Development Unit (BOD)⁹ to ensure that the proposal builds on key budgeting principles and parameters used by IFAD Management in preparing the IFAD administrative budget.

II. Key insights from the implementation of the 2014 work programme

6. In preparing this document, IOE undertook an internal assessment of the implementation of its 2014 work programme and budget. Among the key insights that emerged are that:
- Ways and means need to be found to streamline evaluation processes, in particular to shorten the duration of major evaluations, especially country programme and corporate-level evaluations (CLEs), without compromising their analytical depth and quality;
 - Evaluation recommendations must be useful, prioritized and strategic;
 - Further opportunities for partnership in evaluation need to be explored;
 - More thorough advance planning is needed within IOE and in dialogue with the Office of the Secretary to ensure that documents for IFAD governing bodies, especially the Evaluation Committee and Executive Board, are produced and dispatched in a timely manner;
 - IOE should engage in dialogue with and support IFAD Management in their efforts to conduct and mainstream impact evaluations (of projects); and
 - IOE should further develop the selectivity framework it introduced last year to ensure greater transparency in selecting projects eligible for impact evaluation by IOE.¹⁰ The IOE selectivity framework has since been further developed, and accordingly used in identifying the project to undergo an impact evaluation in 2014 (see paragraph 7 below, last bullet).

III. Current perspective

A. Highlights of 2014

7. By the end of the year, IOE expects to have implemented all the activities planned in the 2014 work programme. Moreover, it will have conducted several additional activities, such as country visits to collect evidence from the field in the context of the evaluation synthesis report on IFAD's engagement in middle-income countries that was finalized in early 2014. Selected key achievements to date include:
- The completion of the corporate-level evaluation on IFAD's replenishments. The evaluation raised crucial corporate issues that were discussed by the Evaluation Committee and Executive Board, and also by the IFAD10 Consultation at its second session in June 2014;
 - The undertaking of the corporate-level evaluation on the IFAD Policy for Grant Financing, which will be discussed by the Board in December. The main recommendation emerging from this evaluation is for IFAD to develop a new grants policy and to further leverage this important instrument to achieve IFAD's mandate;

⁹ Among other tasks, BOD is responsible for preparing IFAD's annual administrative budget and coordinating the organization's annual Strategic Workforce Planning exercise.

¹⁰ In this regard, IOE first introduced a selectivity framework in 2013 to guide the selection and prioritize evaluations to be conducted in 2014.

- The launching of the corporate-level evaluation on IFAD's work in fragile and conflict-affected states and situations. This evaluation is now in full swing;
 - The completion of the evaluation synthesis report on IFAD's engagement in middle-income countries;
 - The launching of the first joint evaluation synthesis report on pastoral development by IOE and the Office of Evaluation of the Food and Agriculture Organization of the United Nations (FAO);
 - The preparation of the 2014 Annual Report on Results and Impact of IFAD Operations (ARRI) is ongoing. This year's ARRI will include a dedicated section on the opportunities and challenges faced by project management; and
 - The launching by IOE of its second impact evaluation. The operation selected, using the newly introduced selectivity framework, is the Jharkhand-Chhattisgarh Tribal Development Programme in India. IOE is collaborating with the Independent Evaluation Organization of the Government of India on this impact evaluation.
8. Progress in implementing planned evaluation activities for 2014 is summarized in annex III, table 1; information is also provided (in annex III, table 2) on progress being made against the targets for each key performance indicator included in the IOE results measurement framework for 2014.¹¹ The data reveals that activities are on track and that, in some cases, agreed targets have already been achieved and/or surpassed. Updated achievements (in relation to both planned evaluation activities and IOE's key performance indicators) will be reported to the Board in December 2014.
9. As requested by the Evaluation Committee in July, IOE is further developing its results measurement framework (RMF) for 2015 to include sharper key performance indicators, including on IOE's efficiency, that allow for better performance measurement and reporting against divisional management results. The enhanced RMF will also specify expected outcomes by strategic objective, creating a more coherent link between results and strategic objectives. The revised RMF will be included in the final version of the work programme and budget document to be presented to the Executive Board in December 2014.
10. In addition, IOE has introduced a more systematic approach to continuous monitoring and quarterly performance reviews of its work programme and budget implementation in order to take stock of progress and flag issues that merit closer attention.

B. 2014 budget utilization

11. Table 1 below provides information on the budget utilization by IOE in 2013, as well as budget utilization as of April 2014 and expected utilization by year-end.

¹¹ The IOE results measurement framework for 2014 agreed by the Board is contained in annex II.

Table 1
IOE budget utilization in 2013 and projected utilization in 2014

<i>Evaluation work</i>	<i>Approved budget 2013</i>	<i>Budget utilization 2013 (US\$)</i>	<i>Approved budget 2014</i>	<i>2014 Commitment as of end-April (US\$)*</i>	<i>Expected utilization as of year-end 2014</i>
Staff travel	330 000	332 492	345 000	157 139	345 000
Consultant fees	1 525 362	1 685 763	1 465 000	950 615	1 465 000
Consultant travel and allowances	352 007	428 719	395 000	199 052	395 000
In-country CPE learning events	30 000	35 690	35 000	28 963	35 000
Evaluation outreach, staff training and other costs	109 342	192 560	155 992	53 089	155 992
Non-staff costs	2 346 711	2 675 224	2 395 992	1 388 858	2 395 992
Staff costs	3 667 268	3 098 962	3 586 690	3 063 071	3 526 933
Total	6 013 979	5 774 186	5 982 682	4 451 929	5 922 855
Utilization		96%		74%	99%

* Based on staff costs committed until year-end.

12. Actual total expenses against IOE's 2013 budget amounted to US\$5.774 million, or 96 per cent of budget utilization. The lower utilization relates primarily to staff cost savings (vacant positions), offset partly by an increase in consultancy requirements. Some of the staff costs savings were also used to undertake additional outreach work to ensure wider dissemination of evaluation lessons and training programmes during the year.
13. In 2014, against an approved budget of US\$5.983 million, the utilization (in terms of commitments) as of end-April 2014 was US\$4.452 million, or 74 per cent. The high utilization at this time of the year is due primarily to the full-year commitment of staff costs, which is in line with IFAD-wide established practice, and to higher commitments for hiring consultants and staff/consultants' travel costs as part of the normal business cycle, as most evaluations are launched in the first part of the year.
14. The expected overall utilization of the IOE budget in 2014 as of year-end is currently projected at US\$5.923 million, corresponding to about 99 per cent of the approved budget. The anticipated lower utilization is in staff costs as a result of vacant positions that are currently being filled, including some savings from the IOE Director's position, part of which will be utilized for recruitment costs in line with IFAD's Human Resources rules.

C. Utilization of the 2013 carry-forward

15. The 3 per cent carry-forward rule, in place since 2004, states that unobligated appropriations at the close of the financial year may be carried forward into the following financial year up to an amount not exceeding 3 per cent of the approved annual budget of the previous year.
16. The IOE 3 per cent carry-forward from 2013 amounted to US\$180,419; this is planned to be used to complete the corporate-level evaluation on IFAD's engagement in fragile and conflict-affected states and situations. This evaluation was not adequately budgeted in 2014 as the requirements for this important exercise could only be fully estimated when the evaluation design was finalized in early 2014.

IV. IOE strategic objectives

17. As agreed with the Board in December 2013 and in line with the IFAD Evaluation Policy (2011), IOE strategic objectives for 2014 and 2015 – the remaining two years of the IFAD9 period¹² – are as follows:
 - (i) Strategic objective 1 (SO1): Contribute, through independent evaluation work, to enhancing accountability for results; and
 - (ii) Strategic objective 2 (SO2): Promote effective learning and knowledge management to further strengthen the performance of IFAD operations.
18. These two strategic objectives allow IOE to achieve the overarching goal set for independent evaluation, namely to promote accountability and foster learning to improve the performance of corporate policies, strategies, processes and IFAD-supported operations.
19. Annex I summarizes IOE's strategic objectives, divisional management results (DMRs) and the outputs that the division proposes to deliver in 2015.

V. 2015 work programme

20. The full list of proposed evaluation activities for IOE in 2015 is presented in annex IV, table 1 and the indicative plan for 2016-2017, in annex IV, table 2. The paragraphs below provide only an overview of the main evaluation activities foreseen for 2015. The major outputs planned for 2015 are summarized in table 2 below.
21. In 2015, IOE will complete the CLE on IFAD's engagement in fragile and conflict-affected states and situations, to be presented to the Executive Board in April 2015. As requested by several Member States during the meeting of IFAD10 in June and the Evaluation Committee in July, IOE plans to start a new corporate-level evaluation after April 2015 on IFAD's performance-based allocation system (PBAS), which was introduced based on a decision taken during the Consultation on the Sixth Replenishment of IFAD's Resources in 2002. The CLE on PBAS will be completed in 2016. Other CLEs provisionally planned beyond 2015 are shown in the indicative plan for 2016-2017.
22. IOE plans to start five new country programme evaluations (CPEs): in Brazil, Ethiopia, India, Nigeria and Turkey, as well as complete the CPEs started in 2014 in Bangladesh, Sierra Leone and the United Republic of Tanzania. The main aim of CPEs is to assess the results and impact of the partnership between IFAD and the Government in reducing rural poverty, and to provide building blocks for preparing new or revising existing results-based country strategic opportunities programmes (COSOPs).
23. In line with the IFAD Evaluation Policy and the role of independent evaluation offices in other multilateral development organizations, IOE introduced impact evaluations in its 2013 work programme as a new product. Hence, one impact evaluation will be conducted in 2015 (project to be determined based on the selectivity framework). The planned impact evaluation will build on IOE's experience in 2013 and 2014 with conducting impact evaluations. It is important to underline that impact evaluations by IOE are not part of the impact evaluations being undertaken by Management during the IFAD9 period (2013-2015), and that projects selected by IOE for impact evaluations do not overlap with those selected by Management. The main aim of IOE's involvement in impact evaluations is to experiment with innovative evaluation methodologies and processes, assess impact in a more quantitative manner while also paying attention to qualitative aspects of IFAD operations, and generate the required evidence for country programme

¹² It was also agreed with the Board that in 2015, while preparing the 2016 work programme and budget, IOE would reassess its strategic objectives for the IFAD10 period (2016-2018).

evaluations and other higher plane evaluations to be done by IOE in the near future.

24. In 2015, IOE will prepare three evaluation synthesis reports, focusing primarily on generating lessons and good practices. The proposed topics for the three evaluation synthesis are: (i) accessing markets: a subregional perspective;¹³ (ii) natural resources and environmental management; and (iii) non-lending activities in the context of South-South cooperation. Other synthesis reports tentatively planned for 2016-2017 are shown in table 2, annex IV. On this topic, in order to allow evaluation lessons to be fed into the decision-making process in a more effective way, IFAD Management has been requested henceforth to develop a written response to all synthesis reports prepared by IOE.
25. IOE will undertake project evaluations in the form of project completion report validations (PCRVs)¹⁴ and project performance assessments (PPAs) of selected operations.¹⁵ As for synthesis reports, all future PPAs will also henceforth include a written response from Management to the recommendations addressed to them. The recommendations agreed by Management will be acted upon and their implementation status reported in the PRISMA, similar to the practice for CLEs and CPEs.
26. IOE will prepare the 2015 edition of the Annual Report on Results and Impact of IFAD Operations, IOE's flagship annual report. Moreover, IOE will: complete and issue the second edition of the Evaluation Manual, which will include the new harmonization agreement between IOE and Management on IFAD's independent evaluation and self-evaluation systems; support recipient countries (selectively) in evaluation capacity-building activities; strengthen partnerships with Rome-based United Nations agencies in evaluation; ensure outreach and timely dissemination of results and lessons to key audiences; and organize a series of activities to celebrate the International Year of Evaluation.¹⁶ The aim of the International Year of Evaluation is to, inter alia, draw the attention of the global development community to the central role of evaluation in development cooperation, and advocate and promote evaluation for evidence-based policy and strategy formulation and for programme development at international, regional, national and local levels.
27. Among the documents for presentation by IOE to the Evaluation Committee and Executive Board are corporate-level evaluations, the ARRI, selected CPEs and comments on the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). In addition, it will also present the impact evaluation and the second edition of the Evaluation Manual to the Evaluation Committee and write comments on new COSOPs that have been preceded by CPEs for the consideration by the Executive Board. And, in line with the Evaluation Policy, IOE will review new corporate policies and strategies that are informed by major corporate-level evaluations and present written comments to the Evaluation Committee and Executive Board.
28. With regard to the latter, IOE will prepare written comments on the new IFAD corporate policy on grant financing, which is expected to be submitted to the Board

¹³ IOE will engage with IFAD Management to determine which region or subregion will be covered by the proposed evaluation synthesis; a final proposal will be included in the work programme and budget document to be discussed with the Evaluation Committee in October 2014.

¹⁴ In line with the provisions of the Evaluation Policy, IOE will continue to validate all PCRs, and conduct PPAs on 25 per cent to 30 per cent of closed projects in any year.

¹⁵ Projects for PPAs are selected by IOE, taking account of: (i) information gaps in PCRs; (ii) innovative approaches in projects; (iii) information requirements for forthcoming CPEs or CLEs; (iv) geographical balance; and (v) opportunities for scaling-up.

¹⁶ At the Third International Conference on National Evaluation Capacities held in São Paulo, Brazil from 29 September to 2 October 2013, EvalPartners – the global movement to strengthen national evaluation capacity – announced that 2015 would be declared the International Year of Evaluation. The United Nations Evaluation Group, of which IOE is a member, and other international and regional evaluation networks and associations have joined EvalPartners and have also adopted 2015 as the International Year of Evaluation.

in 2015. These comments will be provided for review alongside the proposed new policy for consideration by the Committee and the Board.

29. In line with established practice,¹⁷ IOE will prepare written comments for consideration by the Evaluation Committee and the Executive Board on the synthesis report by IFAD Management on the 30 impact evaluations to be delivered during the IFAD9 period. These comments will focus on the methodology and overall approach taken, as well as on the robustness of the results reported.
30. IOE will support the Office of the Secretary (SEC) in organizing all Evaluation Committee sessions during the year. In addition, as in 2014, IOE will participate in the annual country visit of the Executive Board in 2015, and make a presentation to Board members, during the visit, on evaluation lessons in the selected country.

¹⁷ For example, in line with the IFAD Evaluation Policy and the Terms of Reference of the Evaluation Committee, IOE prepares written comments annually on the Report on IFAD's Development Effectiveness.

Table 2
Major outputs planned by IOE in 2015

<i>Strategic objectives</i>	<i>Divisional management results (DMRs)</i>	<i>Outputs</i>
SO1: Contribute, through independent evaluation work, to enhancing accountability for results	DMR 1: ARRI and CLEs that provide concrete building blocks for the development and implementation of better corporate policies and processes	ARRI CLE on IFAD's work in fragile and conflict-affected states and situations – to be completed CLE on IFAD's PBAS – to start after the completion of the CLE on fragile states
	DMR 2: CPEs that serve as concrete building blocks for better results-based COSOPs	Eight CPEs - Bangladesh, Sierra Leone and the United Republic of Tanzania - to be completed; Brazil, Ethiopia, India, Nigeria and Turkey – to start
	DMR 3: Project evaluations that contribute to better IFAD-supported operations	Validate all project completion reports (PCRs) available in the year* Eight PPAs One impact evaluation of an IFAD-funded project
	DMR 4: Methodology development	Issuance of the second edition of the Evaluation Manual Development of the new harmonization agreement on independent evaluation and self-evaluation methods and processes between IOE and IFAD Management Training of IOE staff and consultants on second edition of Evaluation Manual Contribute to in-house and external debate on impact evaluations
	DMR 5: Work related to IFAD governing bodies to ensure accountability and learning	Comments on the Report on IFAD's Development Effectiveness (RIDE), synthesis report on impact evaluations by IFAD Management, PRISMA and selected COSOPs and corporate policies/strategies (e.g. the new IFAD corporate policy on grant financing); preparation of the IOE work programme and budget; and participation in all sessions of the Evaluation Committee, Executive Board and Governing Council as well as selected Audit Committee meetings
SO2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	DMR 6: Production of evaluation syntheses and ARRI learning themes	Three evaluation syntheses (on accessing markets from a subregional perspective; natural resources and environmental management; and non-lending activities in the context of South-South cooperation) One learning theme in the context of the 2015 ARRI (topic to be decided)
	DMR 7: Systematic communication and outreach of evaluation-based lessons and good practices	Participate in internal platforms (Operational Strategy and Policy Guidance Committee [OSC], quality assurance learning sessions, Operations Management Committee [OMC], IFAD Management Teams [IMT], Country Programme Management Team [CPMT], selected learning events, etc.) Organize in-country learning workshops to discuss the main results from CPEs to provide building blocks for the preparation of new COSOPs; and arrange learning events in IFAD related to other evaluations (e.g. CLEs, syntheses, ARRI) to share lessons and best practices
		Partnerships (Evaluation Cooperation Group [ECG], United Nations Evaluation Group [UNEG], Network of Networks on Impact Evaluation [NONIE], Swiss Agency for Development and Cooperation [SDC], and Rome-based agencies - FAO/World Food Programme/Consultative Group on International Agricultural Research [CGIAR])
	DMR 8: Evaluation capacity development in partner countries	Engage in evaluation capacity development (ECD) by organizing seminars and workshops on evaluation methodology and processes in the context of: (i) regular evaluations (e.g. ongoing CPEs or PPAs); and (ii) upon request, in countries where IOE is not undertaking evaluations. Implementation of statement of intent with China on ECD.

*The selection of projects to undergo a PPA may only be determined upon submission of PCRs by the Programme Management Department (PMD) and the subsequent validation exercise (i.e. the preparation of PCR validations) by IOE.

VI. 2015 resource envelope

A. Staff resources

31. IOE's staff requirements are based on a comprehensive strategic workforce planning (SWP) exercise, which is undertaken on an annual basis. Building on the dialogue established last year, IOE has consulted with BOD in this initiative to ensure that the methodology used by IOE is the same as that used for the IFAD SWP exercise. The results of the IOE SWP exercise for 2015 will be included in the final proposal submitted for the consideration of the Evaluation Committee in October of this year. Pending completion of the SWP, it is anticipated that IOE will maintain the same number of staff in 2015 as in 2014 (see annex V). An initial assessment of the 2015 work programme indicates that IOE should be in a position to deliver all planned activities in a timely manner with its current number of staff. It is worth underlining that the IOE Professional to General Service staff ratio is around 1 to 0.46, which is among the best of any division in IFAD.
32. An increase of a 0.5 staff year is being considered for 2015, that is, the Evaluation Knowledge and Communication Officer (P-2) will be converted from a part-time to a full-time position,¹⁸ starting 1 January 2015. This will result in a slight increase in IOE staff costs. The conversion of the position to a full-time equivalent is consistent with IOE's second strategic objective,¹⁹ agreed with the Board, to devote greater attention and resources to strengthening dissemination of evaluation-based knowledge and enhancing the internal learning loop for better institutional and operational performance.

B. Budget proposal

33. This section outlines IOE budget requirements. The proposed budget is presented by type of activity, category of expenditure and strategic objective (see tables 3-5 below). Each table includes both the 2014 approved budget and the proposed budget for 2015, facilitating comparison between the two years. The proposed preview budget will be further elaborated based on developments in the second half of the year and feedback from the Audit Committee and the Executive Board sessions to be held in September 2014.
34. **Cost drivers.** The primary cost drivers for the 2015 budget are: (i) the effect of inflation on non-staff costs; and (ii) increased travel costs due to price increase beyond average inflation assumptions.
35. **Assumptions.** As in the past, the parameters used in developing the proposed 2015 budget will be the same as those used by IFAD Management for developing the IFAD administrative budget for 2015. These include: (i) inflation rate of 2.1 per cent for non-staff costs; (ii) no increase in salaries of Professional and General Service staff anticipated for 2015 and therefore the same 2014 standard costs will be used; and (iii) the exchange rate applied for 2014 – US\$1= EUR 0.72 – has been retained for 2015.
36. **Budget by type of activity.** As per table 3 below, US\$1.35 million of total non-staff costs of US\$2.4 million, or more than 50 per cent of non-staff costs, are allocated to higher-plane evaluations (CLEs and CPEs). These evaluations have the potential for inducing far-reaching and systemic changes at the institutional level as well as in IFAD-supported country programmes. In particular, in order to inform the development of new COSOPs and feed into COSOP midterm reviews, IOE will carry out one new CPE in each of the five geographic regions covered by IFAD operations. This will require a higher allocation for CPEs in 2015, as compared to 2014 – which included some CPE completions requiring fewer resources than new CPEs.

¹⁸ It is to be noted that this position used to be a full-time equivalent until 2005, but was converted into part-time to accommodate a request by the staff due to compelling personal reasons.

¹⁹ Promote effective learning and knowledge management for further strengthening the performance of IFAD operations.

37. An allocation has been made in 2015 for the Evaluation Manual. This is necessary because IOE has deferred finalization of the manual to next year, to allow the new IOE Director to provide input. The amount allocated will cover the cost of completing the document, editing and translation, as well as outreach and dissemination. Any savings from the original 2014 allocation for the Evaluation Manual will be used to undertake additional unforeseen activities during 2014.
38. The net effect is a slight increase in non-staff costs for 2015 compared to 2014. The increase in staff costs is due to the conversion of the P-2 position from part-time to full-time, as mentioned in paragraph 32 above.

Table 3

Proposed budget for 2015 (by type of activities)

(See annex VI, table 2 for more detail)

<i>Type of activities</i>	<i>Approved 2014 budget</i>	<i>Proposed 2015 budget</i>
ARRI	150 000	150 000
CLEs	410 000	350 000
CPEs	760 000	1 005 000
PCR validations	50 000	50 000
PPAs	230 000	230 000
Impact evaluation	210 000	200 000
Evaluation syntheses	120 000	120 000
Second edition of Evaluation Manual	150 000	40 000
Communication, evaluation outreach, knowledge sharing, partnership activities	198 000	188 000
Evaluation capacity development, training and related administrative costs	117 992	122 892
Total non-staff costs	2 395 992	2 455 892
Staff costs	3 586 690	3 641 075
Total	5 982 682	6 096 967

39. **Budget by category of expenditure.** Table 4 shows how the proposed non-staff budget is allocated by category of expenditure. On the whole, there are minor differences in budget allocation in 2015 compared to 2014, with over 60 per cent of non-staff budget allocated to consultancy fees to support evaluation work. With regard to consultants, IOE is continuing its efforts to ensure adequate gender and regional diversity across all evaluation types. Moreover, preference is given to hiring consultants from the same country or region where an evaluation is planned, especially for project performance assessments and CPEs, or when country visits might be undertaken in the context of CLEs and the preparation of evaluation synthesis reports.²⁰ The increases in staff and consultant travel reflect the net effect of increases in travel costs, partly offset by savings generated by more stringent monitoring of travel expenses. In this regard, it is worth noting that IOE staff and consultants follow the same travel rules and procedures as applicable to all IFAD staff and consultants. As in 2014, a small allocation is proposed for staff training, which is essential for continuous professional development to ensure IOE has the required expertise to undertake, inter alia, impact evaluations and to support ECD in partner countries. The slight increase in the staff cost category is explained in the previous paragraph.

²⁰ IOE has a coherent conflict of interest policy for consultants. National consultants are required to adhere to the same provisions and standards as international and regional consultants.

Table 4
Proposed budget for 2015 (by category of expenditure)

<i>Categories of expenditures</i>	<i>Approved 2014 budget</i>	<i>Proposed 2015 budget</i>
Staff travel	345 000	355 000
Consultant fees	1 465 000	1 485 000
Consultant travel and allowances	395 000	410 000
In-country CPE learning events	35 000	40 000
Evaluation outreach, staff training and other costs	155 992	165 892
Total non-staff costs	2 395 992	2 455 892
Staff costs	3 586 690	3 641 075
Total	5 982 682	6 096 967

40. **Budget by strategic objective.** Table 5 below shows how the total IOE proposed budget for 2015, both staff and non-staff costs, is allocated against IOE's two strategic objectives. Further detail including allocation to each DMR can be found in annex VI, table 3.
41. SO1 receives a much greater allocation as a larger part of the consultancy resources of IOE will need to be mobilized for the activities (such as CLEs, CPEs, PPAs, etc.) that contribute to achieving this objective. Moreover, most of the activities undertaken within this objective also contribute to SO2. That is, several activities under SO1 promote effective learning and knowledge management (which is at the core of SO2). For example, in-country workshops at the end of CPEs – which are budgeted under SO1 – provide a unique opportunity to exchange views on main lessons learned and best practices with policy and decision makers, IFAD operational staff and other stakeholders.

Table 5
Proposed budget allocation (by strategic objective)

<i>Strategic objective</i>	<i>Approved 2014 budget</i>		<i>Proposed 2015 budget</i>	
	<i>Amount (US\$)</i>	<i>Percent</i>	<i>Amount (US\$)</i>	<i>Percent</i>
SO1: Contribute, through independent evaluation work, to enhancing accountability for results	4 358 525	73	4 421 254	72
SO2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	1 624 157	27	1 675 713	28
Total	5 982 682	100	6 096 967	100

42. **Budget proposal.** The proposed 2015 budget is US\$6.097 million, reflecting a nominal increase of 1.9 over the 2014 approved budget and 1.4 per cent over that of 2013, well below the overall inflation assumption. The 1.9 per cent increase in 2015 includes a 0.9 per cent real increase. This real increase is due to the fact that the Evaluation Knowledge and Communication Officer who currently works on a part-time basis will be working full time starting in 2015. There is no real increase for non-staff costs. In fact, this is the first time in six years (since 2009) that the proposed IOE annual budget entails a real increase, albeit by a very small margin.
43. Lastly, as decided by the Executive Board in December 2007, the IOE budget is capped at 0.9 per cent of IFAD's programme of work.²¹ IOE's annual budget has been well below this cap since the aforementioned decision was taken. For 2015, the proposed IOE budget is 0.48 per cent of the projected programme of loans and

²¹ Although the decision refers to the "programme of work", it implies "programme of loans and grants".

grants. This indicator will be included in the IOE RMF for 2015, together with other measures of efficiency that will be developed and presented to the Executive Board in December 2014.

44. An overview of IOE's proposed budget including historical trends since 2011 is provided in annex VI, table 1.

IOE strategic objectives, divisional management results and outputs for 2015

<i>IOE strategic objectives</i>	<i>IOE DMRs</i>	<i>Types of outputs</i>
Strategic objective 1: Contribute, through independent evaluation work, to enhancing accountability for results	DMR 1: Annual Reports on the Results and Impact of IFAD Operations (ARRIs) and corporate-level evaluations (CLEs) that provide concrete building blocks for the development and implementation of better corporate policies and processes	ARRI CLE
	DMR 2: Country programme evaluations (CPEs) that serve as concrete building blocks for better results-based country strategic opportunities programmes (COSOPs)	CPE
	DMR 3: Project evaluations that contribute to better IFAD-supported operations	Project performance assessment (PPA) Project Completion Report Validation (PCRIV) Impact evaluation
	DMR 4: Methodology development	Guidelines and Evaluation Manual New harmonization agreement
	DMR 5: Work related to IFAD governing bodies	Evaluation Committee sessions Audit Committee meetings Executive Board sessions Governing Council session
Strategic objective 2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	DMR 6: Production of evaluation syntheses reports and ARRI learning themes	Evaluation synthesis ARRI learning theme
	DMR 7: Systematic communication and outreach of IOE's work	Workshop on thematic issues Publications Learning events Website management
	DMR 8: Evaluation capacity development in partner countries	In-country workshop on evaluation methodology and processes. Joint evaluations with relevant in-country partners

IOE results measurement framework for 2014

Key performance indicators

<i>IOE objectives</i>	<i>Key performance indicators</i>	<i>IOE DMRs^a</i>	<i>Means of verification</i>	<i>2011 baseline</i>	<i>2014 target</i>	
Strategic objective 1: Contribute, through independent evaluation work, to enhancing accountability for results	1. Number of notes with comments on COSOPs and policy documents	DMRs 1, 2 and 5	IOE records ^b			
	2. Number of IOE staff members sent on evaluation training each year, on a rotational basis	DMR 4	IOE records	3 staff	3 staff	
	3. Number of planned Evaluation Committee sessions held in accordance with the Evaluation Committee's terms of reference	DMR 5	IOE records	4 regular sessions	According to 2014 work programme (WP)	
	4. IOE participation as required in sessions of Audit Committee, Executive Board, Governing Council and Executive Board annual country visit	DMR 5	IOE records	100%	100%	
Strategic objective 2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	5. Number of key learning events organized by IOE within IFAD	DMRs 6 and 7	IOE records	2 events	4 events	
	6. Number of in-country learning events co-organized by IOE with governments	DMR 7	IOE records	4 events	5 events	
	7. Number of in-house learning events attended by IOE staff for knowledge-sharing	DMR 7	IOE records	2 events	4 events	
	8. Number of external knowledge events with IOE staff participation to share lessons from evaluation	DMR 7	IOE records	3 events	5 events	
	9. Number of knowledge management products (i.e. Profiles and Insights) of CLEs and CPEs published within three months of established completion date and disseminated to internal and external audiences (once agreement at completion point is signed)	DMRs 6 and 7	IOE records	80%	100%	
	10. Number of evaluation syntheses and ARRI learning themes	DMR 6	IOE records		According to 2014 WP	
	11. Number of evaluation capacity development (ECD) workshops organized in partner countries to share knowledge on IOE evaluation methodology and processes ^c	DMR 8	IOE records	NA		
	12. Number of events attended by IOE staff, related to self-evaluation and ECD	DMR 8	IOE records	1 event	3 events	
	Joint SO1 and SO2 (combining the learning and accountability functions of independent evaluation)	13. ARRI, and number of CLEs, CPEs, PPAs and PCRVs and impact evaluations	DMR 1, 2 and 3	IOE records		According to 2014 WP

^a DMR 1: ARRIs and CLEs that provide concrete building blocks for the development and implementation of better corporate policies and processes; DMR 2: CPEs that serve as concrete building blocks for better results-based COSOPs; DMR 3: Project evaluations that contribute to better IFAD-supported operations; DMR 4: Methodology development; DMR 5: Work related to IFAD governing bodies; DMR 6: Production of evaluation syntheses and ARRI learning themes; DMR 7: Systematic communication and outreach of IOE's work; DMR 8: ECD in partner countries.

^b Depending on the number of COSOPs following CPEs or the number of policy documents following evaluations on the same topics.

^c Depending on requests by Member States.

IOE reporting on achievements as at end-June 2014

In 2014, IOE will report for the first time on: (i) planned activities (table 1 below); and (ii) key performance indicators (KPIs), (table 2 below). An updated progress report against planned activities and KPIs will be included in the revised document submitted to the Evaluation Committee in October 2014. This matrix will continue to be updated until the final submission of the work programme and budget document to the Executive Board in December 2014.

Table 1
Reporting on IOE planned activities (January – June 2014)

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
1. Corporate-level evaluations	IFAD replenishments	To be completed in December 2013	Completed in February 2014. The evaluation report was submitted for review to the Evaluation Committee in March 2014 and then to the Executive Board in April 2014. It was also discussed at the Second Session of IFAD10 (June 2014).
	IFAD Policy for Grant Financing	To be completed in June 2014	Completed. The evaluation report will be presented to the Evaluation Committee in October 2014 and then to the Executive Board in December 2014.
	IFAD's work in fragile and conflict-affected states and situations	To be completed in mid- 2015	Started as planned. The approach paper was discussed at the eighty-second session of the Evaluation Committee in March 2014. A presentation on the emerging findings will be made to the Third Session of IFAD10 in October.
2. Country programme evaluations	Bangladesh	To start in April 2014	Started as planned
	Plurinational State of Bolivia	To be completed in March 2014	Completed
	China	To be completed in March 2014	Report finalized. Final workshop held in July. The final report will be presented to the Evaluation Committee in November 2014.
	Senegal	To be completed in March 2014	Completed ahead of schedule in January 2014
	Sierra Leone	To start in April 2014	Started as planned. However, there are likely to be delays due to the outbreak of Ebola in the country.
	United Republic of Tanzania	To start in January 2014	Started as planned
	Zambia	To be completed in March 2014	Completed
3. Project completion report validation	Validate all PCRs available in the year	To be completed in December 2014	Progressing as planned
4. Project performance assessment	Around eight project performance assessments	To be completed in December 2014	Progressing as planned
5. Impact evaluation	Project to be covered by the impact evaluation	To start in April 2014	Project selected (Jharkhand-Chhattisgarh Tribal Development Programme, India) using the new selectivity framework. Preparatory mission in June, approach paper prepared and evaluation launched. Evaluation to be completed in early 2015.
6. Engagement with governing bodies	Twelfth Annual Report on Results and Impact of IFAD's Operations (ARRI)	To be completed in December 2014	Progressing as planned, including the preparation of a dedicated Issues Paper on the 2014 ARRI learning theme (i.e. project management). Final report to be presented to the Evaluation Committee and Executive Board in end 2014.
	Review of the implementation of the results-based work programme for 2014 and indicative plan for 2015-2016, and preparation of the results-based	To be completed in December 2014	In progress as planned

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
	work programme and budget for 2015 and indicative plan for 2016-2017		
	IOE comments on the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)	To be completed in September 2014	Completed. PRISMA with IOE comments discussed with the Evaluation Committee in July 2014 and thereafter by the Board in September 2014.
	IOE comments on the Report on IFAD's Development Effectiveness (RIDE)	To be completed in December 2014	Will be undertaken as planned. RIDE with IOE comments will be discussed with the Evaluation Committee end-November and thereafter by the Board in December 2014.
	IOE comments on selected IFAD operational policies prepared by IFAD Management for consideration by the Evaluation Committee	To be completed in December 2014	N/A to date
	IOE written comments on IFAD's country and thematic selectivity paper	Unforeseen additional activity undertaken at the request of the Evaluation Committee at its 84 th session in July 2014	IOE comments will be presented to the September Board.
	Participation in all sessions of the Evaluation Committee, according to the Terms of Reference and Rules of Procedure of the Evaluation Committee	To be completed in December 2014	Three formal Committee sessions (March, June and July 2014) and one informal session (January 2014) have been held. Two more sessions are planned for October and November.
	2014 Executive Board field visit		IOE Officer-in-Charge and a Senior Evaluation Officer took part in the 2014 Executive Board visit to the United Republic of Tanzania in May.
	IOE comments on COSOPs when related CPEs are available	January-December 2014	N/A to date. No new COSOP presented to the Board in April or September 2014 was informed by a recent CPE.
	IOE engagement in IFAD10	January-December 2014	In progress: IOE delivered a presentation on the eleventh ARRI at the first session of the IFAD10 Consultation in February, and the CLE on IFAD replenishments and evaluation synthesis on middle-income countries were discussed at the second session in June 2014. IOE has been asked to carry out another unforeseen activity – review and prepare comments on IFAD's new RMF for the Third Session of IFAD10 in October.
7. Communication and knowledge management activities	Evaluation synthesis on IFAD's engagement in middle-income countries	To be completed in June 2014	Completed ahead of schedule in April 2014, including the holding of an in-house learning workshop. Presented to the Evaluation Committee and IFAD10 consultation in June
	Evaluation synthesis on pastoral development	To be completed in December 2014	In progress as planned, undertaken jointly with the FAO Office of Evaluation.
	Evaluation synthesis on indigenous peoples	To be completed in December 2014	Unforeseen additional activity, included in IOE's 2014 Work Programme, started in March 2014.
	Evaluation Reports, Profiles, Insights, IOE website, etc.	January-December 2014	In progress as planned
	Organization of in-country CPE learning workshops, as well as learning events in IFAD	January-December 2014	Organized CPE learning workshops in the Plurinational State of Bolivia, China, Senegal and Zambia.
	Participate and share knowledge in selected external platforms such as learning events or	January-December 2014	In progress as planned

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
	meetings of evaluation groups		
	IOE-OPV quarterly meetings	January-December 2014	In progress as planned. First meeting held in May 2014. Several ad hoc meetings held with OPV on specific evaluations.
	Attend IFAD Management Team meetings; OSCs that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE; selectively CPMTs; and (as observer) the Operational Management Committee; and the quality assurance learning sessions	January-December 2014	In progress as planned
8. Partnerships	ECG, NONIE, UNEG and SDC partnership	January-December 2014	In progress as planned. Participated in the UNEG Annual General Meeting in March and Spring Meeting of ECG in April. IOE staff attended the African Evaluation Association (AfrEA) and United Kingdom Evaluation Society (UKES) annual conferences. SDC seconded one senior evaluation officer to IOE starting in May 2014.
	Contribute as internal and external peer reviewer to key evaluations as requested by IFAD and other multilateral/bilateral organizations	January-December 2014	IOE peer reviewed the external midterm review of the International Land Coalition, the Participatory Impact Assessment and Learning Approach by IFAD's Policy and Technical Advisory Division (PTA), and two evaluation approach papers by the independent evaluation department of the African Development Bank (AfDB) on the: (i) General Capital Increase and African Development Fund (AfDF) replenishments; and (ii) results (outcomes and impact of AfDB support) in client countries. IOE reviewed and provided comments on the impact evaluation guidance document by IFAD Management as well as on the Midterm Review of a GEF-funded operation in Eritrea, requested by ESA/ECD.
	Implement Joint Statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	January-December 2014	In progress as planned. Examples of activities to date include: (i) synthesis on pastoral development undertaken jointly with FAO; and (ii) training on how to address gender issues in evaluations for CGIAR, FAO, IFAD and WFP staff. Moreover, IOE participated in a panel discussion with FAO and WFP (and UN Women) on the gender sector-wide action plan at the UNEG evaluation exchange programme in March.
9. Methodology	Second edition of the Evaluation Manual	January-December 2014	In progress as planned. The revised manual will be finalized and issued in 2015. A divisional workshop on the topic was held in June with the participation of representatives from IFAD Management (PMD, SSD), FAO and SDC.
	Contribute to the in-house and external debate on impact evaluations	January-December 2014	In progress as planned
	Implement the revised harmonization agreement between IOE and IFAD Management on independent and self-evaluation methodology and processes	January-December 2014	In progress as planned
10. Evaluation capacity development	Organization of workshops in partner countries (as per request) on evaluation methodology and processes	January-December 2014	In progress as planned. An evaluation methodology and process workshop was held in Beijing in July, in conjunction with the China CPE national roundtable workshop (see next item).
	Implement statement of intent with Government of China on ECD	January-December 2014	China CPE workshop held in July.

Reporting on IOE key performance indicators (January to June 2014)

Based on IOE's 2014 RMF, the below reporting matrix provides an overview of IOE achievements in the first semester of 2014 against the key performance indicators (KPIs) agreed with the Executive Board. The structure of the below matrix is different from the approved 2014 RMF (see table on pages 14-15); however, the strategic objectives, DMRs and KPIs are unchanged. The matrix has been restructured to better illustrate IOE's results chain: strategic objectives and DMRs (first two columns on the left-hand side) are now linked with the KPIs. Given that a KPI can contribute to more than one DMR, arrows are used to highlight how achievements against the KPI are linked with each DMR.

Table 2
Reporting on IOE set key performance indicators (January to June 2014)

Strategic objectives	DMRs		Key performance indicators	Achievements	Description	Targets
SO1: Contribute through IOE work to enhancing accountability for results	DMR 1: ARRIs and CLEs that provide concrete building blocks for the development and implementation of better corporate policies and processes	←	1. Number of notes with comments on COSOPs and policy documents	0	None until September 2014 because no new corporate policies/strategies or COSOPs were presented to the Board as follow up to IOE evaluations.	
			13. ARRI, and number of CLEs, CPEs, PPAs, PCRVs and impact evaluations (IE)s	On track	ARRI is under production. Two CLEs have been completed (replenishment and grants); and a third is under way (fragile states). As per plan, of the 7 CPEs, 4 have been completed and 3 have been started. The 2014 impact evaluation has been launched, and PPAs and PCRVs are on track.	According to 2014 WP
	DMR 2: CPEs that serve as concrete building blocks for better results-based COSOPs	←	1. Number of notes with comments on COSOPs and policy documents	0	See description for KPI 1	
			13. ARRI, and number of CLEs, CPEs, PPAs, PCRVs and IEs	On track	See description for KPI 13	According to 2014 WP
			13. ARRI, and number of CLEs, CPEs, PPAs, PCRVs and ES	On track	See remark in this column against KPI 13 above	According to 2014 WP
	DMR 3: Project evaluations that contribute to better IFAD-supported operations	←	13. ARRI, and number of CLEs, CPEs, PPAs, PCRVs and ES	On track	See remark in this column against KPI 13 above	According to 2014 WP
	DMR 4: Methodology development	←	2. Number of IOE staff members sent on evaluation training each year, on a rotational basis	4+	1 staff member attended the African Evaluation Association (AfrEA) conference 1 staff member attended the Annual Evaluation Conference of the United Kingdom Evaluation Society (UKES) 2 staff members participated in International Programme for Development Evaluation Training Several IOE evaluation officers attended the training that was organized jointly with FAO on evaluating gender.	3 staff

Strategic objectives	DMRs	Key performance indicators	Achievements	Description	Targets
SO1: Contribute through IOE work to enhancing accountability for results	DMR 5: Work related to IFAD governing bodies	1. Number of notes with comments on COSOPs and policy documents	0	See description for KPI 1.	
		3. Number of planned Evaluation Committee sessions held in accordance with the Committee's terms of reference	4	3 formal sessions (March, June and July) and 1 informal session (January). This includes an additional unforeseen formal session held in June.	According to 2014 WP
		4. IOE participation as required in sessions of the Audit Committee, Executive Board, Governing Council and Evaluation Committee annual country visit	100%	<ul style="list-style-type: none"> Executive Board session April 2014 Executive Board country visit to United Republic of Tanzania Governing Council session February 2014 IFAD10 sessions in February and June 	100%
SO2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	DMR 6: Production of evaluation syntheses and ARRI learning themes	5. Number of key learning events organized by IOE within IFAD	4	<ul style="list-style-type: none"> Evaluation synthesis on IFAD's engagement in middle-income countries Seminar at IFAD on issues and lessons learned from the first impact evaluation (Sri Lanka) Global Staff Meeting learning event: "The role of independent evaluation and its contribution to better operational and institutional performance in IFAD" 2014 ARRI learning workshop planned in September 	4 events
		9. Number of knowledge management products of CLEs and CPEs published within three months of established completion date and disseminated to internal and external audiences	29	As at June 2014, IOE has published and disseminated to internal and external audiences a total of 29 knowledge management products including: 14 evaluation reports, 4 Profiles and 4 Insights, 3 press releases, 2 overviews on CLEs and 2 quarterly newsletters.	100%
		10. Number of evaluation syntheses and ARRI learning themes	3 syntheses (includes one additional/unforeseen (indigenous peoples) 1 ARRI learning theme	Syntheses: MICs; pastoral development; and indigenous peoples. ARRI learning theme: project management.	According to 2014 WP

Strategic Objectives	DMRs	Key Performance Indicators	Achievements	Description	Targets
SO2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	DMR 7: Systematic communication and outreach of IOE's work	5. Number of key learning events organized by IOE at IFAD	See above	See description for KPI 5.	
		6. Number of in-country learning events co-organized by IOE with governments	4	CPE workshops <ul style="list-style-type: none"> January - Senegal April - Plurinational State of Bolivia April - Zambia July - China 	5 events
		7. Number of in-house learning events attended by IOE staff for knowledge-sharing	7+	<ul style="list-style-type: none"> IFAD Strategic Vision Induction for new IFAD staff Induction for new Member State representatives Several sessions during the Global Staff Meeting Impact evaluation by Oxfam Multidimensional poverty assessment tool Final quality assurance learning session in July 	4 events
		8. Number of external knowledge events with IOE staff participation to share lessons from evaluation	5	FAO, UNEG, ECG, AfrEA and UKES	5 events
		9. Number of knowledge management products of CLEs and CPEs published within three months of established completion date and disseminated to internal and external audiences	See above	See remark in this column against KPI 9 above	100%
		11. Number of ECD workshops organized in partner countries to share knowledge on IOE evaluation methodology and processes	1	Organized a training workshop on evaluation methodology and processes in Beijing in July	
	12. Number of events attended by IOE staff related to self-evaluation and ECD	4	<ul style="list-style-type: none"> Board discussion on private-sector grant proposal in support of impact evaluation Operational Management Committee discussion on IFAD's quarterly performance report Dedicated session on ex ante quality assurance of new project proposals Final quality assurance learning session in July 	3 events	
	DMR 8: Evaluation capacity development in partner countries				

IOE proposed evaluation activities for 2015 and indicative plan for 2016-2017

Table 1
Proposed IOE work programme for 2015 by type of activity

Type of work	Proposed activities for 2015	Start date	Expected finish	Expected delivery time*				
				Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	2016
1. Corporate-level evaluation	IFAD's engagement in fragile states	Jan-14	Apr-15		X			
	IFAD's performance-based allocation system (PBAS)	Apr-15	Sep-16					X
2. Country programme evaluation	Bangladesh	May-14	Jul-15			X		
	Brazil	Jan-15	Mar-16					X
	Ethiopia	Jan-15	Mar-16					X
	India	Oct-15	Dec-16					X
	Nigeria	Jan-15	Mar-16					X
	Sierra Leone	Jan-14	Mar-15			X		
	Turkey	Jan-15	Mar-16					X
	United Republic of Tanzania	Jan-14	Mar-15	X				
3. Project completion report validation	Validate all PCRs available in year	Jan-15	Dec-15	X	X	X	X	
4. Project performance assessment	About 8 PPAs	Jan-15	Dec-15			X	X	
5. Impact evaluation	One (project to be determined)	Jun-15	Jun-16					X
6. Engagement with governing bodies	Review of implementation of results-based work programme for 2015 and indicative plan for 2016-2017, and preparation of results-based work programme and budget for 2016 and indicative plan for 2017-2018	Jan-15	Dec-15			X	X	
	13 th ARRI	Jan-15	Dec-15					X
	IOE comments on PRISMA	Jun-15	Sep-15			X		
	IOE comments on RIDE	Oct-15	Dec-15					X
	IOE comments on selected IFAD operational policies, strategies and processes prepared by IFAD Management for consideration by the Evaluation Committee and the Board, including comments on the new IFAD corporate policy on grants financing, and on the synthesis report on impact evaluations prepared by IFAD	Jan-15	Dec-15	X	X	X	X	
	Participation in all sessions of the Evaluation Committee, Executive Board and Governing Council, selected Audit Committee meetings, and the 2015 country visit of the Executive	Jan-15	Dec-15	X	X	X	X	

Type of work	Proposed activities for 2015	Start date	Expected finish	Expected delivery time*				
				Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	2016
	Board							
	IOE comments on COSOPs when related CPEs are available	Jan-15	Dec-15		X	X	X	
7. Communication and knowledge-management activities	Evaluation synthesis on accessing markets: a sub-regional perspective	Jan-15	Jun-15				X	
	Evaluation synthesis on natural resources and environmental management	Jun-15	Dec-15				X	
	Evaluation synthesis on non-lending activities in the context of South-South cooperation						X	
	Evaluation reports, Profiles, Insights, website, etc.	Jan-15	Dec-15	X	X	X	X	
	Organization of in-country CPE learning workshops and learning events in IFAD	Jan-15	Dec-15	X	X	X	X	
	Activities related to the International Year of Evaluation	Jan-15	Dec-15	X	X	X	X	
	Participate and share knowledge in selected external platforms such as learning events or meetings of evaluation groups	Jan-15	Dec-15	X	X	X	X	
	IOE-OPV quarterly meetings	Jan-15	Dec-15	X	X	X	X	
	Attend all OSCs that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE. Attend OMCs, quality assurance learning sessions, IMTs and selected CPMTs	Jan-15	Dec-15	X	X	X	X	
8. Partnership	ECG, UNEG, NONIE and SDC partnerships	Jan-15	Dec-15	X	X	X	X	
	Contribute as external peer reviewer to key evaluations by other multilateral/bilateral organizations as requested	Jan-15	Dec-15	X	X	X	X	
	Implement joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	Jan-15	Dec-15	X	X	X	X	
9. Methodology	Second edition of Evaluation Manual	Jan-14	Apr-15		X			
	Development of the new harmonization agreement	Jan-15	Mar-15	X				
	Training (Second edition of Evaluation Manual) IOE staff/consultants	June-15	Dec-15		X	X	X	
	Contribute to in-house and external debate on impact evaluations	Jan-15	Dec-15	X	X	X	X	
10. ECD	Engage in ECD in context of regular evaluation process	Jan-15	Dec-15	X	X	X	X	
	Organization of workshops in partner countries (as per request) on evaluation methodology and processes	Jan-15	Dec-15	X	X	X	X	
	Implementation of statement of intent with the Peoples' Republic of China on ECD in the country	Jan-15	Dec-15	X	X	X	X	

* The quarterly delivery time is marked with an X only for an expected specific deliverable.

Table 2
IOE indicative plan for 2016-2017 by type of activity*

Type of work	Indicative plan for 2016-2017	Year
1. Corporate-level evaluation	Decentralization model and experience; Mangement efforts on impact evaluations; knowledge management; additional resource mobilization	2016-2017
	Policy dialogue; Adaptation for Smallholder Agriculture Programme Joint evaluation with FAO and WFP of Reformed Committee on World Food Security	2017
2. Country programme evaluations	Burkina Faso; Burundi; the Philippines; Indian Ocean small island developing states Sub-regional evaluation in English-speaking Caribbean island countries	2016
	Cameroon; Malawi	2017
3. Project completion report validation	Validate all PCRs available in year	2016-2017
4. Project performance assessment	About 8 PPAs/year	2016-2017
5. Impact evaluation	1 per year (project to be determined)	2016-2017
6. Engagement with governing bodies	14 th and 15 th ARRIs	2016-2017
	Review of implementation of results-based work programme for 2016 and indicative plan for 2017-2018, and preparation of results-based work programme and budget for 2017 and indicative plan for 2018-2019	2016-2017
	Review of implementation of results-based work programme for 2017 and indicative plan for 2018-2019, and preparation of results-based work programme and budget for 2018 and indicative plan for 2019-2020	
	IOE comments on PRISMA and RIDE	2016-2017
	IOE comments on COSOPs when related CPEs are available	2016-2017
	IOE comments on selected IFAD operational policies, strategies and processes prepared by IFAD Management for consideration by Evaluation Committee	2016-2017
	Participation in all sessions of Evaluation Committee, according to revised terms of reference and rules of procedure of Evaluation Committee. Participation in Executive Board meetings and Governing council. Participate in annual country visit of the Board.	2016-2017
7. Communication and knowledge management activities	Evaluation reports, Profiles, Insights, website, etc.	2016-2017
	Evaluation synthesis on IFAD's experience in commodity value chain development, remittances, scaling up self-evaluation; and off-farm agriculture related activities	2016-17
	Attend all OSCs that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE. Attend OMC, IMT, quality assurance learning sessions and selected CPMTs	2016-2017
8. Partnership	ECG, UNEG, NONIE and SDC partnerships	2016-2017
	Implement joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	2016-2017
9. Methodology	Contribute to in-house and external debate on impact evaluation	2016-2017
	Implement revised harmonization agreement between IOE and IFAD Management on independent and self-evaluation methodology and processes	2016-2017
10. Evaluation capacity development (ECD)	Implementation of activities in partner countries related to ECD	2016-2017

* The topics and number of CLEs, CPEs and evaluation synthesis report are tentative and the actual priorities and numbers to be undertaken in 2016 and 2017, respectively, will be determined in 2015.

IOE staff levels for 2015

2011 level	2012 level	2013 level	2014 level	2015		
				Professional staff	General Service staff	Total
19.5	19.5	18.5	18.5	13	6	19

Human resource category

Category	2014	2015
Director	1	1
Deputy Director	1	1
Senior evaluation officers	3*	3*
Evaluation officers	6	6
Evaluation research analyst	1	1
Evaluation knowledge and communication officer	0.5	1
Total Professional staff	12.5	13
Administrative assistant	1	1
Assistant to Director	1	1
Assistant to Deputy Director	1	1
Evaluation assistants	3	3
Total General Service staff	6	6
Grand total	18.5	19

* An additional senior evaluation officer has been seconded from SDC to IOE since May 2014, with no impact on IOE staff costs.

IOE General Service staff levels

2007	2008	2009	2010	2011	2012	2013	2014	2015 (proposed)
9.5	8.5	8.5	8	8	8	6	6	6

IOE proposed budget for 2015

Table 1
IOE proposed budget 2015
 (United States dollars)

<i>Evaluation work</i>	<i>2011 budget^a</i>	<i>2012 budget^a</i>	<i>2013 budget^a</i>	<i>2014 budget^a</i> <i>(1)</i>	<i>Proposed 2015 budget</i>			
					<i>Real increase/decrease</i> <i>(2)</i>	<i>Price increase^b</i> <i>(3)</i>	<i>Exchange rate increase/decrease^c</i> <i>(4)</i>	<i>Total 2015 budget at US\$1 = EUR 0.72</i> <i>(5)=(1)+(2)+(3)+/-(4)</i>
Non-staff costs	2 238 000	2 289 474	2 346 711	2 395 992	0	59 900	0	2 455 892
Staff costs	3 645 576	3 734 530	3 667 268	3 586 690	54 385	0	0	3 641 075
Total	5 883 576	6 024 004	6 013 979	5 982 682	54 385	59 900	0	6 096 967

^a As approved by the Governing Council (at the exchange rate of US\$1 = EUR 0.722 in 2011, 2012, 2013 and 2014).

^b As for the rest of IFAD and conveyed by BOD. Price increase for non-staff costs is 2.1 per cent, and there is no price increase for staff costs.

^c As conveyed by BOD, the exchange rate to be applied at this stage is the same exchange rate as applied for the 2014 budget, i.e. US\$1 = EUR 0.72 to facilitate comparison.

Table 2
2015 IOE budget proposal breakdown for non-staff costs

Type of activity	Absolute number	Relative number in terms of % of work done ^a	Standard unit costs ^b (US\$)	Proposed non-staff costs in 2015 (US\$)
ARRI	1	1	150 000	150 000
Corporate-level evaluation	2	1	Differentiated cost based on scope and nature of issues to be assessed: 200 000-450 000	350 000
IFAD's engagement in fragile states	1	0.25		
IFAD's performance-based allocation system	1	0.75		
Country programme evaluation	8	4	Differentiated cost based on size of portfolio, size of country, travel costs and availability of evaluative evidence: 225 000-305 000	1 005 000
PCR validation	About 30	About 30	-	50 000
PPA	About 8	About 8	25 000-30 000	230 000
Impact evaluation	1	0.8	200 000-300 000	200 000
Evaluation synthesis	3	3	40 000-65 000	120 000
Revision of IOE Evaluation Manual (Finalization)	1	0.2	-	40 000
Communication, evaluation outreach, knowledge sharing and partnership activities	-	-		188 000
ECD, training (including training on the revised Evaluation Manual) and related administrative costs	-	-		122 892
Total				2 455 892

^a Evaluations often straddle two years. This figure represents percentage of work done for those evaluations in 2015.

^b Standard unit costs also include staff travel when necessary.

Table 3
IOE proposed budget allocation (staff and non-staff costs) by objective and divisional management result
 (United States dollars)

<i>IOE objectives</i>	<i>IOE DMRs</i>	<i>Proposed budget (staff and non-staff cost)</i>	<i>Percentage overall total proposed budget</i>
Strategic objective 1: Contribute, through independent evaluation work, to enhancing accountability for results	DMR 1: ARRIs and CLEs that provide concrete building blocks for development and implementation of better corporate policies and processes	752 413	12
	DMR 2: CPEs that serve as concrete building blocks for better results-based COSOPs	2 034 156	34
	DMR 3: Project evaluations that contribute to better IFAD-supported operations	1 034 773	17
	DMR 4: Methodology development	339 005	5
	DMR 5: Work related to IFAD governing bodies	260 907	4
Total for strategic objective 1		4 421 254	72
Strategic objective 2: Promote effective learning and knowledge management to further strengthen the performance of IFAD operations	DMR 6: Production of evaluation syntheses and ARRI learning themes	708 514	12
	DMR 7: Systematic communication and outreach of IOE's work	729 008	12
	DMR 8: ECD in partner countries	238 191	4
Total for strategic objective 2		1 675 713	28
Grand total		6 096 967	100

IOE Selectivity framework

Table 1
Guiding questions for the selection and prioritization of evaluations for inclusion in IOE's work programme

<i>Corporate-level evaluations/Evaluation syntheses</i>	<i>Country programme evaluations</i>	<i>Project performance assessments*</i>
<ol style="list-style-type: none"> 1. Is this an area of interest/priority for IFAD stakeholders? 2. Is this in line with IFAD's strategic priorities and replenishment commitments? 3. Will this address a knowledge gap in IFAD? 4. What is the evaluation expected to impact? 5. Is there a critical decision point in IFAD that would drive the timing of this evaluation? 6. How would this evaluation contribute to IOE's strategic objectives? 7. What other IOE deliverables would this evaluation draw on and/or contribute to? 8. Does IOE have the resources (financial and human) to conduct this evaluation? 	<ol style="list-style-type: none"> 1. Is this a country of interest/priority for the regional division? 2. How would this evaluation affect the geographical balance of the IOE evaluation portfolio? 3. Is there a critical decision point in IFAD that would drive the timing of this evaluation? 4. How would this evaluation contribute to IOE's strategic objectives? 5. What other IOE deliverables would this evaluation draw on and/or contribute to? 6. Does IOE have the resources (financial and human) to conduct this evaluation? 	<ol style="list-style-type: none"> 1. Did IOE identify any major information gaps, inconsistencies or analytical weaknesses in the PCR during the validation process? 2. Does the project use successful innovative approaches that could be scaled up elsewhere? 3. Is there a major disconnect between the ratings contained in the PCR and those generated by IOE during the validation process? 4. How does this evaluation affect the geographical balance of the IOE evaluation portfolio? 5. What other IOE deliverables would this evaluation draw on and/or contribute to (e.g. CPE)? 6. Does IOE have the resources (financial and human) to conduct this evaluation?

*The selectivity framework cannot be applied for PPAs at this stage, as IOE has not yet been provided with the list of PCRs that will need to be validated in 2015.

Table 2
Application of the selectivity framework for CLEs*

<i>Guiding questions for CLEs</i>	<i>Knowledge management</i>	<i>Additional resource mobilization</i>	<i>Decentralization model and experience</i>	<i>Performance-based allocation system (PBAS)</i>	<i>Management efforts on impact evaluations</i>
1. Is this an area of interest/priority for IFAD stakeholders?	4	4	5	5	5
2. Is this in line with IFAD's strategic priorities and replenishment commitments?	5	5	5	5	5
3. Will this address a knowledge gap in IFAD?	Yes	Yes	Yes	Yes	5
4. What is the evaluation expected to impact?	IFAD's approach to knowledge management	IFAD's efforts to mobilize additional resources, outside the replenishment processes	IFAD's approach in strengthening the capacity of decentralized structures to maximize the organization's impact at country level	The Fund's resource allocation mechanisms, taking into account the organization's mandate to reduce rural poverty in all regions	IFAD's methodology and approach in undertaking impact evaluations
5. Is there a critical decision point in IFAD that would drive the timing of this evaluation?	Not currently, because IFAD developed a new knowledge management framework in 2014, and it requires more time for implementation.	The exploration of new forms of additional resource mobilization is a priority for the financial sustainability of the organization in the IFAD9 period and beyond. However, it might be better to wait until 2016 or 2017 when there is a critical mass of examples (e.g. KfW loan to IFAD) of additional resources mobilized to evaluate.	Yes, it is a priority for the IFAD9 period and beyond. However, it would be appropriate to wait until 2016 or beyond, once all the 50 country offices have been established (by end-2015, as agreed with the Board).	Yes, this is high priority because: (i) the PBAS was introduced in the Sixth Replenishment in 2002, and has not undergone any comprehensive review or evaluation; and (ii) the evaluation would also contribute to sharpening IFAD's approaches to resource allocation in the context of country selectivity for better institutional efficiency. Therefore, the evaluation would also contribute to other corporate goals.	Yes, it is a priority for the IFAD9 period and beyond. However, it would be appropriate to wait until 2016 once the 30 impact evaluations done by Management have been completed and the synthesis report on the Impact Evaluation Initiative finalized.
6. How would this evaluation contribute to IOE's strategic objectives?	Contribute to strategic objectives 1 and 2	Contribute to Strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2

<i>Guiding questions for CLEs</i>	<i>Knowledge management</i>	<i>Additional resource mobilization</i>	<i>Decentralization model and experience</i>	<i>Performance-based allocation system (PBAS)</i>	<i>Management efforts on impact evaluations</i>
7. What other IOE deliverables would this evaluation draw on and/or contribute to?	Draw on CPEs and project-level evaluations. Contribute to other CLEs, CPEs and project-level evaluations, as well as evaluation synthesis reports	Not directly	Draw on other CLEs, CPEs and project-level evaluations	Contribute to other CLEs, CPEs and project-level evaluations	Draw on and contribute to project-level impact evaluations
8. Does IOE have the financial and human resources to conduct this evaluation?	Only one new CLE can be carried out per year due to IOE resource constraints and the absorption capacity of IFAD Management and Governing Bodies	Only one new CLE can be carried out per year due to IOE resource constraints and the absorption capacity of IFAD Management and Governing Bodies	Only one new CLE can be carried out per year due to IOE resource constraints and the absorption capacity of IFAD Management and Governing Bodies	Yes	Only one new CLE can be carried out per year due to IOE resource constraints and the absorption capacity of IFAD Management and Governing Bodies

*In constructing the work programme, each proposed evaluation was validated against the guiding questions, using, where possible, a 5-point score, where 5 represents the highest score and 1 the lowest.

Table 3
Application of the selectivity framework for evaluation syntheses

<i>Guiding questions for CLEs/Evaluation syntheses</i>	<i>Evaluation synthesis on scaling-up</i>	<i>Evaluation synthesis on IFAD's self-evaluation mechanisms</i>	<i>Evaluation synthesis on Remittances</i>	<i>Accessing markets: a sub-regional perspective</i>
1. Is this an area of interest/priority for IFAD stakeholders?	5	4 (because the topic has been studied to some extent in the CLE on efficiency and CLE on IFAD replenishment.	3	5
2. Is this in line with IFAD's strategic priorities and replenishment commitments?	5	5	4	5
3. Will this address a knowledge gap in IFAD?	Yes, to a lesser extent as other studies have been undertaken by Management	Yes	Yes	Yes
4. What is the evaluation expected to impact?	IFAD's scaling-up approach for wider impact on poverty	IFAD's self-evaluation mechanisms for better results measurement and reporting	IFAD's engagement in and approach to remittances in the context of development finance	IFAD's role in promoting access to markets for enhancing incomes and food security
5. Is there a critical decision point in IFAD that would drive the timing of this evaluation?	Yes, it is a priority for the IFAD9 period	Yes	To some extent	Yes, it is a priority for the IFAD9 period
6. How would this evaluation contribute to IOE's strategic objectives?	Contribute to strategic objective 2	Contribute to strategic objective 2	Contribute to strategic objective 2	Contribute to strategic objective 2
7. What other IOE deliverables would this evaluation draw on and/or contribute to?	Draw on CLEs, CPEs and project-level evaluations	Draw on CLEs, CPEs and project-level evaluations	Draw on CPEs and project-level evaluations where there are activities relevant to remittances	Draw on CPEs and project-level evaluations where there are activities relevant to accessing markets
8. Does IOE have the financial and human resources to conduct this evaluation?	Yes	Yes	Yes	Yes

<i>Guiding questions for CLEs/evaluation syntheses</i>	<i>Evaluation synthesis on value chains</i>	<i>Evaluation synthesis on natural resources and environmental management</i>	<i>Evaluation synthesis on non-lending activities in the context of South-South cooperation</i>
1. Is this an area of interest/priority for IFAD stakeholders?	4 (It will be more relevant in 2017)	5	5
2. Is this in line with IFAD's strategic priorities and replenishment commitments?	5	5 (IFAD's RMF 2013-2015 includes new indicators and more ambitious targets in order to support enhanced performance in environmental management. Moreover, IFAD Procedures for Environmental Management and Sustainable Development were presented to the Executive Board in 2009).	5
3. Will this address a knowledge gap in IFAD?	Yes, to a lesser extent as other studies have been undertaken by Management	Yes	Yes
4. What is the evaluation expected to impact?	IFAD's engagement towards more conducive rural business environments that enable smallholders and the rural poor to gain better access to markets and value chains.	IFAD's approach to natural resources and environmental management	IFAD's engagement in and approach to non-lending activities in the context of South-South cooperation
5. Is there a critical decision point in IFAD that would drive the timing of this evaluation?	To some extent	Yes	Yes
6. How would this evaluation contribute to IOE's strategic objectives?	Contribute to strategic objective 2	Contribute to strategic objective 2	Contribute to strategic objective 2
7. What other IOE deliverables would this evaluation draw on and/or contribute to?	Draw on CLEs, CPEs and project-level evaluations. Contribute to the CLE on policy dialogue which is included in the tentative plan for 2017	Draw on CPEs and project-level evaluations	Draw on CPEs and project-level evaluations where there are activities relevant to remittances
8. Does IOE have the financial and human resources to conduct this evaluation?	No, only up to 3 evaluation syntheses per year	Yes	Yes

Table 4
Application of the selectivity framework for CPEs

<i>Guiding questions for CPEs</i>	<i>Brazil</i>	<i>Ethiopia</i>	<i>India</i>	<i>Nigeria</i>	<i>Turkey</i>
1. Is this a country of interest/priority for the regional division taking into account its performance based allocation 2013-2015?	5	5	5	5	4
2. How would this evaluation affect the geographical balance of the IOE evaluation portfolio?	5	5	5	5	5
3. Is there a critical decision point in IFAD that would drive the timing of this evaluation?	Yes (current COSOP covers 2008-2012, the CPE will contribute to the formulation of the new COSOP, which the division plans to prepare in 2016). Undertaking a CPE in Brazil would also be justified because around 30 per cent of poor people in Latin America and the Caribbean live there. Finally, the timing of the CPE is extremely favourable, as the CPE will be started after the presidential elections are completed and a new Government should be in place.	Yes (current COSOP covers 2008-2014, the CPE will contribute to the formulation of the new COSOP, which the division plans to prepare in 2016). Moreover, the Ethiopia CPM will retire at the end of 2014, and the CPE will assist the new CPM with a comprehensive, independent analysis of results and lessons learned for future planning. Ethiopia is the country with the largest portfolio in ESA.	Yes (current COSOP covers 2010-2015, the CPE will contribute to the formulation of the new COSOP). When considering the 2010-2015 COSOP, APR also requested IOE to undertake a CPE in India in 2015/16. A CPE in the country would also be important because India has the largest number of IFAD projects and loans commitment by IFAD in all geographic regions.	Yes (current COSOP covers 2010-2015, the CPE will contribute to the formulation of the new COSOP in 2016/17). Nigeria is the largest portfolio in WCA region and this CPE therefore also reflects the prioritization in the use of IOE resources.	Current COSOP is dated 2008, so it is timely to conduct the CPE in preparation of a new COSOP. IFAD has funded nine projects in Turkey, but IOE has never conducted a CPE.
4. How would this evaluation contribute to IOE's strategic objectives?	Contribute to strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2	Contribute to strategic objectives 1 and 2
5. What other IOE deliverables would this evaluation draw on and/or contribute to?	Draw on the previous CPE and project evaluations conducted since then	Draw on project-level evaluations in Ethiopia and on the previous CPE	Draw on project-level evaluations (including interim evaluations) in India and on the previous CPE	Draw on previous CPE	Draw on project-level evaluations in Turkey
6. Does IOE have the resources (financial and human resources) to conduct this evaluation?	Yes	Yes	Yes	Yes	Yes

Table 5
Selectivity framework for Impact Evaluations by IOE

A. ESSENTIAL CRITERIA^a					
Criteria	Code	Guiding questions for impact evaluations	Rating system (5-point scale)		Means of verification
<i>Evaluation results for learning</i>	A.01	Is a CPE planned in this country in 2015/2016? ^b	5 = YES	1 = NO	IOE indicative rolling WP
	A.02	Would the findings of this evaluation, given the subsector nature of the project, also feed into ongoing or planned evaluation synthesis reports or CLEs?	5 = YES	1 = NO	IOE indicative rolling WP
<i>Project status</i>	A.03	Did project implementation end between 1 and 3 years ago?	1 = > 5 years 2 = 5 years 5 years ≤ 3 ≤ 4 years 4 = 3 years 3 years ≤ 5 ≤ 1 years		PPMS
<i>Geographical distribution</i>	A.04	Has IOE conducted an interim or completion evaluation or PPA of this project in the past?	5 = NO	1 = YES	IOE reports/Work Programme
	A.05	Does IFAD Management plan an impact evaluation of this project by the end of 2015?	5 = NO	1 = YES	PMD; Strategy and Knowledge Management Department

^a Only projects meeting the essential criteria will be validated also against desirable criteria as detailed in section B of the table.

^b To ensure that IE results and lessons learned inform synthesis reports, CPEs and CLEs.

B. DESIRABLE CRITERIA ^a					
Criteria	Code	Guiding questions for impact evaluations	Rating system (5-point scale)		Means of verification
<i>Project size</i>	B.01	Is this a country of priority to the regional division, taking into account its performance based allocation 2013-2015?	*See rating system for B.01		PBAS report
	B.02b	Of the countries selected, which has the highest performance-based allocation?	5 = largest interval		PBAS
	B.03	What are the total project costs?	5 = largest interval		PPMS
	B.04	What is the IFAD loan amount?	5 = largest interval		PPMS
	B.05	What is the project size in terms of the number of households at design expected to directly benefit from project support?	5 = largest interval		Project document
<i>Disbursement rate</i>	B.06	What was the disbursement rate at project closure?	5 = highest interval		LGS
<i>Innovation and scaling up</i>	B.07	Does the project include innovative characteristics with potential for scaling up?	5 = YES	1 = NO	Project document
<i>Joint evaluations</i>	B.08	Is there potential to undertake the impact evaluation jointly with relevant national institutions (e.g. Government's independent evaluation office (where possible), national evaluation association, etc.)?	5 = YES	1 = NO	IOE interaction with the country and country programme manager

^a Only projects meeting the criteria in section B of the table are exposed to the technical criteria set forth in section C of the table.

^b The rating system will be developed once the countries are selected consistently with the essential criteria in section A of the table.

*Rating system for B.01 (minimum and maximum regional PBAS allocation for 2013 – 2015 Millions of United States dollars)

Asia and the Pacific	East and Southern Africa	Latin America and the Caribbean	Near East, North Africa and Europe	West and Central Africa
3 million ≤ 1 ≤ 26.2 million	3 million ≤ 1 ≤ 17.2 million	1 million ≤ 1 ≤ 9.5 million	1 million ≤ 1 ≤ 13 million	3 million ≤ 1 ≤ 16 million
26.3 million ≤ 2 ≤ 52.5 million	17.3 million ≤ 2 ≤ 24.5 million	9.6 million ≤ 2 ≤ 19.1 million	13.1 million ≤ 2 ≤ 26.1 million	16.1 million ≤ 2 ≤ 32.1 million
52.6 million ≤ 3 ≤ 78.8 million	24.6 million ≤ 3 ≤ 52.4 million	19.2 million ≤ 3 ≤ 28.7 million	26.2 million ≤ 3 ≤ 39.2 million	32.2 million ≤ 3 ≤ 48.2 million
78.9 million ≤ 4 ≤ 105.1 million	52.5 million ≤ 4 ≤ 69.7 million	28.8 million ≤ 4 ≤ 38.3 million	39.3 million ≤ 4 ≤ 52.3 million	48.3 million ≤ 4 ≤ 64.3 million
105.2 million ≤ 5 ≤ 131.4 million	69.8 million ≤ 5 ≤ 87 million	38.4 million ≤ 5 ≤ 47.9 million	52.4 million ≤ 5 ≤ 65 million	64.4 million ≤ 5 ≤ 80.4 million

C. TECHNICAL CRITERIA				
Criteria	Guiding questions for impact evaluations		Rating system (5-point scale)	Means of verification
<i>Evaluability assessment</i>	C.01	Is a baseline survey available? If so:	5= YES 1 = NO	C.01 PMD front office; SSD;CPM 01.1 IOE assessment 01.2 IOE assessment 01.3 CPM
	01.1	What is its quality rating?		
	01.2	Did it include control or comparison groups?		
	01.3	Is an electronic database available?		
C.02	Is a Results and Impact Management System (RIMS) baseline	5= YES 1 = NO	C.02 PMD front office; SSD;CPM 02.1 IOE assessment 02.2 IOE assessment 02.3 CPM	
02.1	survey available? If so:			
02.2	What is its quality rating?			
02.3	Did it include control or comparison groups? Is an electronic database available?			
C.03	Is a RIMS completion survey available? If so:	5= YES 1 = NO	C.03 PMD front office; SSD;CPM 03.1 IOE assessment 03.2 IOE assessment 03.3 CPM	
03.1	What is its quality?			
03.2	Did it include control or comparison groups?			
03.3	Is an electronic database available?			
C.04	Are other surveys available? If so:	5= YES 1 = NO	C.04 CPM 04.1 IOE assessment 04.2 IOE assessment 04.3 CPM	
04.1	What is their quality rating?			
04.2	Did they include control or comparison groups?			
04.3	Is an electronic database available?			
	C.05	How would you rate the quality of the PCR including in terms of data and analysis on impact?	5 = high quality 1 = low quality	IOE assessment
	C.06	Is a midterm review available?	5 = YES 1 = NO	CPM
	C.07	How would you rate the quantity and quality of data generated by the project's monitoring and evaluation system?	5 = high quality/quantity 1 = low quality/quantity	CPM; Project Authorities
	C.08	Does the President's report contain a logical framework, and if so, how would you rate its quality?	5 = logframe available/high quality 1 = logframe not available/low quality	IOE assessment
	C.09	Are qualitative thematic studies available?	5 = thematic studies available	CPM
	C.10	Did the project experience implementation delays?	5 = NO serious delay in implementation	PPMS
<i>Availability of local technical expertise</i>	C.11	Is national technical expertise in quantitative and qualitative data collection and analysis available?	5 = available/high quality	IOE (research on internet)

Application of the selectivity framework

The selectivity framework for impact evaluations is the master tool guiding the identification of projects for impact evaluation by IOE. The framework groups criteria into three categories: essential, desirable and technical. The framework filters operations as follows: (i) only projects meeting the essential criteria are exposed to the desirable criteria and, thereafter, (ii) those with the highest rating are assessed against the technical criteria and subjected to an evaluability assessment, which guides IOE's final decision on the project to be evaluated.

For the 2014 impact evaluation, eight projects met the requirements of the first two subcriteria (evaluation results for learning and project status) under the essential criteria. These two subcriteria are fundamental to maximize learning, and ensure that the project can be evaluated with due consideration of context in order to obtain adequate understanding of impact and sustainability. All eight projects were assessed against the remaining guiding questions under the essential criteria. This narrowed down the sample from eight to three projects, which were assessed against the desirable criteria. This further restricted the choice to two projects, namely the India Jharkhand-Chhattisgarh Tribal Development Project and the Nigeria Roots and Tuber Expansion Programme), to be exposed to the evaluability assessment (i.e. the technical criteria).

The results of the evaluability assessment indicated that the India project was the most suitable for evaluation in terms of both reliability of data and cost-effectiveness.