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Investing in rural people

Report of the Chairperson on the eighty-fifth session of the Evaluation Committee

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For: Review

Report of the Chairperson on the eighty-fifth session of the Evaluation Committee

1. Committee members attended the session from: Angola, France, India, Indonesia, Mexico, the Netherlands, Nigeria and Norway. Observers were present from China and Germany. The Committee was joined by the Associate Vice-President, Programme Management Department; the Interim General Counsel; the Director, Independent Office of Evaluation of IFAD (IOE); and other IFAD staff.
2. The Chairperson welcomed the new representative of Norway and the new Director of the Independent Office of Evaluation of IFAD who were attending their first Committee session.

Agenda item 2: Adoption of the agenda

3. The agenda was adopted subject to the deferral of consideration of the country programme evaluation for the Plurinational State of Bolivia and the project performance assessment of the Sudan Gash Sustainable Livelihoods Regeneration Project to a future session of the Evaluation Committee. At the request of the representative for India, the Committee agreed to consider the issue of Committee members' access to verbatim records. This issue was taken up during the consideration of the item on the procedure regarding drafting and approval of records of Evaluation Committee sessions.

Agenda item 3: Minutes of the eighty-fourth session of the Evaluation Committee

4. The Committee adopted the minutes contained in document EC 2014/85/W.P.2 without amendment.

Agenda item 4: Procedure regarding drafting and approval of records of Evaluation Committee sessions

5. The Committee reviewed document EC 2014/85/W.P.3, broadly supporting the proposed procedure with respect to the preparation of official records of Committee sessions. Members raised two points for further discussion: (i) the consultation process with the Committee with respect to the content of the Chairperson's report; and (ii) members' access to the verbatim records for the purpose of reviewing draft minutes.
6. With respect to access to verbatim records, it was recalled that the IFAD Policy on the Disclosure of Documents, approved by the Board in 2010, provided for specific exceptions to the disclosure policy for, inter alia, deliberative processes and verbatim deliberations of governing bodies in order to protect the integrity of such processes and to encourage openness in exchanges and written submissions. Per the disclosure policy, release of such documents would require the specific authorization of the body concerned. In response to a question from a member, the interim General Counsel indicated that while the Committee could have a standing consent in certain circumstances, these circumstances should be narrowly prescribed in the interests of preserving confidentiality.
7. The Committee decided to continue discussion of this issue during its next session.

Agenda item 5: The Independent Office of Evaluation of IFAD's results-based work programme and budget for 2015 and indicative plan for 2016-2017

8. The Committee considered document EC 2014/85/W.P.4, welcoming the enhancements made since the previous draft and expressing broad support for the proposed work programme and budget. Members also commended the high-quality document produced by IOE.

9. Members requested clarification regarding the efficiency indicators included in the 2015 results measurement framework (RMF) of IOE and also how the RMF targets had been set. IOE indicated that the proposed RMF included three efficiency indicators, namely (i) the execution rate of key evaluation activities; (ii) the IOE budget cap; and (iii) the ratio of General Service to Professional staff. Targets for the RMF were established based on resources available and efficiency gains foreseen, in particular as a result of the implementation of the new Evaluation Manual. IOE noted that it would provide further explanations on the efficiency indicators and targets set in the final work programme and budget document for the December Board.
10. Noting that the **country programme evaluations** (CPE) foreseen for 2015 related mainly to middle-income countries (MICs), IOE explained that country selection had been undertaken in consultation with Management and was based on the selectivity framework, which took into account criteria such as the volume of IFAD investment, the size of the portfolio and hence the number of rural people. Moreover, IOE noted that an important criterion for selecting countries for CPEs was the intention of IFAD Management to prepare a new COSOP following a CPE. In this regard, it was indicated that while the countries may be considered MICs, IFAD programmes were implemented in low-income rural areas and, as such, the poverty focus was ensured. Finally, IOE underlined that IOE had undertaken several CPEs in 2014 in low-income countries and that one of the countries proposed for 2015 was also a low-income country.
11. Members underscored the importance of the evaluation to be undertaken on the **performance-based allocation system (PBAS)**. In answer to queries as to the possibility of accelerating the undertaking of the evaluation, IOE committed to exploring all options in this regard. In response to the comments of some members, IOE explained, however, that it would not be possible to prepare an evaluation synthesis report in the place of a corporate-level evaluation on the PBAS, as no previous evaluations had reviewed aspects of the PBAS, therefore an evaluation would necessarily be required for a thorough analysis that would ensure an evidence-based evaluation.
12. On **gender**-related issues, IOE informed the Committee that its use of a dedicated evaluation criterion on gender and the assessment and rating of gender in each project and country programme evaluation, was quite unique among multilateral development organizations. With respect to gender-responsive budgeting, IOE indicated that it would consider the possibility of utilizing this approach in the 2016 budget proposal to be developed next year.
13. Members highlighted the importance of **end-user** participation in and access to evaluation products, noting that translation of evaluation documents into local languages could strengthen this process. IOE assured the Committee that, while maintaining a balance between the independence of the evaluations and adequate participation, core learning partnerships – including representatives of key stakeholders and end-users – were convened for each evaluation to follow the entire evaluation process. Furthermore, in certain instances, documents such as executive summaries and agreements at completion point were translated into local languages to facilitate access by end-users. IOE also underlined that it carried out a variety of outreach and dissemination activities using different instruments to ensure a wider outreach of evaluation lessons and results.
14. Members requested that the prominence of the topic of **youth** be duly taken into account. IOE indicated that it had completed an evaluation synthesis on IFAD's engagement with youth in early 2014 and that this topic would be an area of focus in the second edition of the Evaluation Manual currently under preparation and due for completion in 2015 following consultation with IFAD Management and the Evaluation Committee.

15. Members noted the planned joint evaluation of activities related to the Committee on World Food Security tentatively scheduled for 2017. IOE underlined that due consultation would be undertaken with the Food and Agriculture Organization of the United Nations (FAO) and World Food Programme (WFP) in the future, as and when appropriate, to ensure a coordinated approach to the evaluation.
16. Members welcomed IOE's inclusion, as requested, of the preparation of an evaluation synthesis report on fisheries in its 2016-2017 indicative plan. IOE agreed with the suggestion of the Committee to expand the scope of the evaluation to fisheries and aquaculture. This would be reflected in the final document presented to the December session of the Board. On a related note, members welcomed the ongoing preparation together with the Office of Evaluation of FAO of the evaluation synthesis report on pastoral development, including the possibility of organizing a joint session of the FAO Programme Committee and IFAD Evaluation Committee to consider the final report next year.
17. On the topic of joint evaluations, the Committee requested clarification on the opportunities and challenges associated with joint evaluations. In this regard, IOE clarified that joint evaluations provided value, inter alia, as they allowed for pooling of resources and broadened the scope of the evaluation being undertaken. There were some challenges, such as ensuring due coordination in the hiring of consultants, and agreeing on methodology and process. All in all, however, the advantages outweighed the challenges.
18. With regard to the budget, members requested clarification with respect to the **inflation rate** assumption utilized in the budget. Both IOE and IFAD Management clarified that the IOE budget was based on the same inflation rate for non-staff costs, as used by IFAD in constructing its 2015 administrative budget.
19. Members further suggested that a table providing a workload comparison (among the main evaluation activities) be included in the final document, as this would provide a better understanding of any increases or decreases in the 2015 budget, as compared to the 2014 approved budget. Finally, in response to a request by the Committee, IOE clarified that it followed IFAD's Staff Rules for the hiring of consultants, and that the Human Resources Division monitored, and periodically analysed and reported on the use of consultants by all divisions, including IOE. In particular, this analysis covered the consultants' daily fee rates, number of days per consultancy services, nationality and gender.

Agenda item 6: Corporate-level evaluation on the IFAD policy for Grant Financing

20. The Committee considered document EC 2014/84/W.P.5 and the Management response contained in the addendum, which would be discussed by the Executive Board in December 2014. The Committee strongly endorsed the content of the report and commended IOE on the high quality of the document. Members complimented the **methodology** used in the evaluation, while also indicating that appendix 3 suggested that interviews with end-users had not taken place. IOE clarified that it had conducted interviews with end-users, and that while in some cases these were individual farmers, end-users could also include government officials or other individuals, depending on the purpose of the grant.
21. Members supported the need for a **new grants policy**, with greater strategic focus, clarity of objectives and alignment of policy objectives with IFAD and country objectives. The Committee welcomed Management's receptive consideration of the findings of the CLE, which would inform the grants policy to be submitted to the Executive Board in April 2015.
22. There was agreement on the need to devote far more time to discussing, learning from and internalizing the results and outcomes of grants, rather than simply focusing on the design phase. This would require a robust **grant management**

information system, which Management planned to mainstream into existing systems for loans and grants. Management indicated that a programme management information system was now in place, and integrated for the different financial instruments. Such a system would also facilitate knowledge management, dissemination of research results and monitoring. Staff training would also be borne in mind and updated staff development tools were being developed. Targeted training would also be offered.

23. Diverse opinions were expressed with respect to whether grant allocations should be subject to the **PBAS**, and whether grant funds should be made available to **countries classified as red and yellow under the Debt Sustainability Framework (DSF)**. With regard to grant resources to red and yellow countries, on the one hand, it was highlighted that these countries may have greater need for capacity development, which could be funded through grants under the grants policy, while on the other, it was noted that all funds to these countries were, in any case, provided in grant form under the DSF. IOE clarified that the DSF mechanism and the grants approved under the grant policy were entirely different instruments: the former financed investment projects and were provided to governments on grant terms in countries facing problems with sustainability of debt; the latter aimed to promote pro-poor innovation and capacity-building and could be approved for a broader range of recipients, including NGOs. On a related topic, with regard to the role of the PBAS, there should be sufficient flexibility to respond to emerging needs and to take into account the quality of grant proposals. Management indicated that it would clarify paragraphs 18 and 20 of its response to the CLE with respect to the above issues and submit the revised response to the December Board session.
24. In line with the evaluation's recommendation, Management agreed that there should be sufficient flexibility to respond to emerging needs given that grants could contribute more directly to strengthening IFAD country programmes but recognized that it was difficult to increase the allocations for country-specific grants.
25. The evaluation found that loan-component grants were generally not compliant with the objectives of the grant policy, and therefore recommended discontinuing them. Management was not in agreement with the recommendation to completely suppress this form of grant, for several reasons, including, cost efficiency and the beneficial opportunities for linkages with loan-funded investments. However, Management agreed with the need for better control regarding the compliance of these grants with objectives of the grants policy.
26. Committee members emphasized their wish to ensure a **flexible grant policy**, with the goal of allowing IFAD to respond to emergency situations, to innovate and to support organizations that would otherwise not have access to policy discussions. Furthermore, it was suggested that IFAD's contribution to the **Committee on World Food Security** should be funded from the administrative budget rather than through a grant, for reasons of possible non-alignment with strategic objectives of the grant policy.
27. One member noted that no recommendations had been made with respect to grants to **private-sector organizations**. IOE clarified that, at the time of the evaluation, only two such grants had been approved, providing insufficient evidence to draw conclusions.
28. Some members expressed concern about the transaction costs associated with approving around 50 relatively small grants in any given year. In this regard, there was discussion as to whether IFAD should aim at reducing the number of grants approved per year or simply focus more on aligning grants with IFAD's strategic objectives. Management pointed out that the proposal to have fewer but larger grants would also facilitate quality enhancement and assurance, as well as adequate monitoring and evaluation to capture lessons learned.

29. Some members indicated that there could have been greater focus on the impact on **gender** equality in the evaluation report. IOE clarified that this was challenging because the focus of the evaluation was on the grants policy, rather than on individual grants funded by IFAD. Moreover, given the nature of many of the grants funded (e.g. on research on new seed varieties), it would be extremely difficult and expensive to analyse the impact on women. On the same topic, Management indicated that it would propose targets for the quality of grants and would strengthen gender reporting on the overall portfolio. Management noted that grants often fund studies, capacity-building of organizations and related issues, making it difficult to identify the ultimate individual beneficiaries.

Agenda item 7: Other business

30. No items were raised under other business.