

Document: EB 2016/119/R.2/Rev.1  
Agenda: 3  
Date: 14 December 2016  
Distribution: Public  
Original: English

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Investing in rural people

IFAD's 2017 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2017 and indicative plan for 2018-2019, and the HIPC and PBAS progress reports

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Executive Board — 119<sup>th</sup> Session  
Rome, 14-15 December 2016

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For: Approval

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## Abbreviations and acronyms

ARRI	Annual Report on Results and Impact of IFAD Operations
ASAP	Adaptation for Smallholder Agriculture Programme
BOD	Office of Budget and Organizational Development
CLE	corporate-level evaluation
CLEE	corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CSD	Corporate Services Department
CSPE	country strategy and programme evaluation
CSSG	Corporate Services Support Group
ECD	evaluation capacity development
ECG	Evaluation Cooperation Group (of the multilateral development banks)
ESR	evaluation synthesis report
FAO	Food and Agriculture Organization of the United Nations
FOD	Financial Operations Department
FTE	full-time equivalent
GRIPS	Grants and Investment Projects System
HRD	Human Resources Division
ICO	IFAD Country Office
ICP	IFAD Client Portal
ICSC	International Civil Service Commission
ICT	information and communications technology
IFAD9	Ninth Replenishment of IFAD's Resources
IFAD10	Tenth Replenishment of IFAD's Resources
IOE	Independent Office of Evaluation of IFAD
LGS	Loans and Grants System
MTP	medium-term plan
OPV	Office of the President and Vice-President
OSC	Operational Strategy and Policy Guidance Committee
PBAS	performance-based allocation system
PCR	project completion report
PCRv	project completion report validation
PMD	Programme Management Department
PoLG	programme of loans and grants
PPA	project performance assessment
PPE	project performance evaluation
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
PRM	Partnership and Resource Mobilization Office
PTA	Policy and Technical Advisory Division
RBA	Rome-based agency
COSOP	country strategic opportunities programme
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
SDC	Swiss Agency for Development and Cooperation
SKD	Strategy and Knowledge Department
SO	strategic objective
SWP	strategic workforce planning
UNEG	United Nations Evaluation Group
WFP	World Food Programme
WIGSI	within-grade step increment

## Executive summary

1. The 2017 budget proposal focuses on meeting resource requirements for the second year of the Tenth Replenishment of IFAD's Resources (IFAD10) and the IFAD Medium-term Plan (MTP) 2016-2018 based on a lending level of at least US\$3.2 billion for the same period.
2. The projected IFAD programme of loans and grants (PoLG) for 2017 is planned to reach US\$1.5 billion, which reflects Management's efforts to even out the deliverables over the three-year IFAD10 period. It reduces the burden of reaching the three-year lending target in the final year and allows room to undertake projects that go beyond the current US\$3.2 billion target. To sustain the disbursements corresponding to a PoLG of this level, IFAD will need to access funding through additional borrowing. Alternative financing sources have been identified and are currently being finalized.
3. In addition to the above core programme for 2017, IFAD will also continue its efforts to mobilize resources to achieve a high level of cofinancing and to seek alternative financing arrangements to realize its overall programme of work. IFAD's baseline programme of US\$1.5 billion for 2017 will attempt to leverage resources by a factor of 1:1.2 to achieve a total cofinancing level of US\$1.8 billion.
4. Some 44 projects and programmes, including additional financing for seven ongoing loans and grants, are currently being prepared for approval in 2017. Four of these projects and programmes are supported by financing from the Adaptation for Smallholder Agriculture Programme. Management expects to meet its commitment to allocate 45-50 per cent of financing to sub-Saharan Africa over the 2016-2018 period. The estimated number of global/regional and country grants in 2017 is 40-50, for a total of US\$53 million.
5. The MTP 2016-2018 translates into action the strategic objectives set out in the IFAD Strategic Framework 2016-2025. It enables IFAD to achieve its stipulated outcomes, namely : (i) enabling policy and regulatory frameworks at national and international levels; (ii) increased levels of investment in the rural sector; and (iii) improved country-level capacity for rural policy and programme development, implementation and evaluation.
6. The MTP 2016-2018 incorporates the new concept of "results pillars" introduced in the Strategic Framework. The shift from clusters to pillars will further improve the effectiveness of corporate planning and budgeting processes. This improvement will allow IFAD to focus more on results and outputs and to link the budget directly to outputs.
7. In preparing the final proposed budget for 2017, the following cost drivers were considered: (i) costs related to IFAD10 commitments, MTP priorities and measures to implement Results Measurement Framework (RMF) targets; (ii) decentralization and IFAD Country Office (ICO)-related costs; (iii) the 2017 strategic workforce planning (SWP) exercise; (iv) depreciation and other recurrent expenses related to capital budgets; and (v) price-related cost drivers.
8. The proposed net regular budget for 2017 is US\$149.42 million (compared with US\$150.78 million in the high-level preview). This represents a 1.8 per cent nominal increase (1.5 per cent real increase and a net price increase of 0.3 per cent) compared with the 2.8 per cent nominal increase (1.7 per cent real increase and a net price increase of 1.1 per cent) in the preview. The exchange rate used for 2017 is EUR 0.897 to US\$1, compared with EUR 0.877 to US\$1 based on the agreed methodology.

9. The highlights of the 2017 budget proposal are the following:
- The US\$2.27 million or 1.5 per cent real increase is the effect of: (i) the impact of staff increases resulting from the annual SWP exercise, offset by the decrease in consultancy years; (ii) recurrent costs and depreciation associated with completion of the Loans and Grants System (LGS) project; (iii) CLEE-related depreciation and recurrent costs; (iv) depreciation from completion of other capital expenditures approved in prior years; and (v) recurrent non-staff costs of new ICO offices.
  - The 0.3 per cent price increase is the net effect of the assumed general inflation rate (2.05 per cent), as well as price escalations on specific cost items that could not be absorbed, adjusted for a change in the assumed exchange rate. The 2017 budget proposal includes a provision for the effect of the annual within-grade step increment (WIGSI) in staff salaries.
  - In addition, the low net price increase benefits from the removal of the provision for salary increases in the Professional staff category amounting to US\$679,000. This amount has not been reallocated within the budget proposal.
10. The gross budget for 2017 amounts to US\$154.62 million, including resources to manage operations funded by supplementary funds totalling US\$5.2 million (over and above the US\$149.42 million). This amount can be fully recovered from the annual allocable portion of the fee income generated from management of the corresponding supplementary funds. Endorsement by the Executive Board is being sought only for the proposed net regular budget of US\$149.42 million.
11. For 2017, a capital budget of US\$2.4 million is proposed. This is about the same level as in the last two years, but for the first time includes the purchase of vehicles for ICOs. The lower level of the capital budget aims to prioritize completion of the second phase of the already-approved LGS replacement and CLEE-related capital projects.
12. In line with Governing Council resolution 181/XXXVII, the Executive Board will be requested to approve the appropriation for the special expenditure budget for the IFAD11 replenishment exercise. A final estimate of US\$1.04 million is proposed for IFAD11.
13. The results-based work programme and budget for 2017 and indicative plan for 2018-2019 of the Independent Office of Evaluation of IFAD (IOE) are set out in part two of this document; the Heavily Indebted Poor Countries Debt Initiative and performance-based allocation system progress reports are contained in parts three and four respectively; and recommendations are contained in part five.
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 1. It should be noted that the table is indicative and is provided for information purposes only.

Table 1

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

	<i>Projected 2016</i>	<i>Projected 2017</i>	<i>Projected 2018</i>
<b>Resource balance carried forward at start of year</b>	<b>1 611</b>	<b>1 807</b>	<b>1 914</b>
<b>Inflows to IFAD</b>			
Loan reflows	315	332	345
Investment income	-	-	-
Loan to IFAD	273	330	280
Supplementary fund fees	5	5	5
<b>Subtotal</b>	<b>593</b>	<b>667</b>	<b>630</b>
<b>Outflows from IFAD</b>			
Administrative and IOE budget	(146)	(149)	(152)
Other administrative expenses *	(4)	(4)	(3)
Capital budget	(8)	(4)	(2)
Debt service on loan to IFAD	(2)	(2)	(4)
Costs funded by supplementary fund fees	(5)	(5)	(5)
<b>Subtotal</b>	<b>(165)</b>	<b>(164)</b>	<b>(166)</b>
<b>Net inflows/(outflows) to IFAD</b>	<b>428</b>	<b>503</b>	<b>464</b>
<b>Programme of work related activities</b>			
Contributions	462	335	311
Disbursements	(683)	(718)	(750)
Heavily Indebted Poor Countries Debt Initiative impact	(11)	(13)	-
<b>Subtotal</b>	<b>(232)</b>	<b>(396)</b>	<b>(439)</b>
<b>Net inflows/(outflows) on all activities</b>	<b>196</b>	<b>107</b>	<b>25</b>
<b>Resource balance brought forward at end of year</b>	<b>1 807</b>	<b>1 914</b>	<b>1 939</b>

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

## Recommendation for approval

The Executive Board is invited to approve:

- The recommendations on IFAD's 2017 results-based programme of work, regular and capital budgets, and the budget of the Independent Office of Evaluation of IFAD for 2017, as contained in paragraphs 165 and 167;
- The appropriation for the special expenditure budget for the IFAD11 replenishment exercise, as contained in paragraph 166;
- Submission of the substance of the progress report on IFAD's participation in the Heavily Indebted Poor Countries Debt Initiative to the fortieth session of the Governing Council for information, in accordance with the recommendation contained in paragraph 168; and
- Submission of a progress report on implementation of the performance-based allocation system to the fortieth session of the Governing Council in 2017, based on the report provided in part four of the present document and its addendum containing the 2016 country scores and 2017-2018 allocations, in accordance with the recommendation contained in paragraph 169.
- Furthermore, the Executive Board is invited to consider the draft resolution contained on page 42 and to submit it, together with its recommendations, to the fortieth session of the Governing Council in February 2017 for consideration and adoption.

IFAD's 2017 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2017 and indicative plan for 2018-2019, and the HIPC and PBAS progress reports

Part one – IFAD's 2017 results-based programme of work and regular, capital and special expenditure budgets

### I. Medium-term Plan 2016-2018 in the context of the IFAD Strategic Framework 2016-2025

1. With the vision of contributing to inclusive and sustainable rural transformation in a bigger, better and smarter way, the IFAD Strategic Framework 2016-2025 was finalized in February 2016. The Strategic Framework presents the overarching goal, principles of engagement, strategic objectives (SOs), outcomes and results pillars for the next 10 years. Taking into account the evolving global context, it positions IFAD to achieve greater impact and play a larger role in helping countries fulfil their priorities relative to the 2030 Agenda for Sustainable Development.
2. The IFAD Medium-term Plan (MTP) 2016-2018 covers the first three years of implementation of the Strategic Framework. It responds to commitments under the Tenth Replenishment of IFAD's Resources (IFAD10) and drives IFAD's efforts to deliver greater development impact in a cost-effective manner. The MTP translates into action the SOs of: (i) increasing poor rural people's productive capacities; (ii) increasing poor rural people's benefits from market participation; and



- (iii) strengthening the environmental sustainability and climate resilience of poor rural people's economic activities as set out in the Strategic Framework. As a result, it enables IFAD to achieve its stipulated outcomes, namely: (i) enabling policy and regulatory frameworks at national and international levels; (ii) increased levels of investment in the rural sector; and (iii) improved country-level capacity for rural policy and programme development, implementation and evaluation.
3. The MTP incorporates the new concept of "results pillars" introduced in the Strategic Framework, namely: country programme delivery; knowledge-building, dissemination and policy engagement; financial capacity and instruments; and institutional functions, services and systems. The shift from clusters to pillars will further improve the effectiveness of corporate planning and budgeting processes. This improvement will allow IFAD to focus more on results and link the budget directly to outputs. It is proposed to treat 2017 as a transitional year; the 2018 budget will be the first that will be based on the pillar-linked outputs approach.
  4. Based on the MTP, the corporate development and operational objectives are to:
    - (i) Achieve an IFAD10 programme of loans and grants (PoLG) of at least US\$3.2 billion (including sovereign borrowing); and mobilize additional cofinancing of US\$1.2 for each US\$1 of IFAD loan/grant financing;
    - (ii) Raise the quality of new loans and grants to meet Results Measurement Framework (RMF) targets through better design;
    - (iii) Reach and benefit a greater number of people through efficient scaling up and better quality programmes;
    - (iv) Improve the quality of the ongoing portfolio through better supervision of projects;
    - (v) Expand use of the Reimbursable Technical Assistance tool to allow Member States access to IFAD's expertise;
    - (vi) Enhance public and private partnerships for increased financing from the private sector;
    - (vii) Improve monitoring and evaluation (M&E) systems and undertake impact assessments in accordance with commitments made;
    - (viii) Expand IFAD's role as a knowledge institution, including promotion of global policy engagement, knowledge management and South-South and Triangular Cooperation (SSTC), to meet IFAD10 commitments; and
    - (ix) Further decentralize IFAD's operations through: selective expansion and improvement of existing facilities, enhanced delegation of authority, and more appropriate staffing levels for IFAD Country Offices (ICOs).
  5. IFAD will continue its scaling-up efforts to ensure that the innovations it introduces have a significant impact on reducing rural poverty during the MTP period. In accordance with the Strategic Framework thrust of becoming "bigger", IFAD will endeavour to play a larger role in fulfilling its mandate and achieving greater impact by mobilizing substantially more resources over and above the stated US\$3.2 billion target.
  6. IFAD's internal corporate objectives for 2017 are to make the operational objectives achievable through: (i) mobilizing resources successfully, including sovereign borrowing; (ii) improving the quality and uptake of IFAD's knowledge products; (iii) fostering public/private partnerships; (iv) designing projects better, complete with baseline studies for improved quality at entry; (v) reducing projects at risk; (vi) creating a more constructive and motivating work environment and simplifying human resource management policies; (vii) streamlining business processes for more effective and efficient service delivery; (viii) improving service to external clients and partners through strategic investments in state-of-the-art

systems such as the IFAD Client Portal (ICP); and (ix) maintaining an IT platform that provides the real-time data, automated processes and communications needed for the above.

7. Through proactive monitoring and management of performance and risks, these internal corporate objectives will be modified to respond to emerging internal and external trends to ensure that the objectives set out in the Strategic Framework continue to be achieved.
8. The IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency<sup>1</sup> was prepared by Management to address the agreed recommendations of the corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations (CLEE). Annex I of this document provides an update on the status of actions for achieving the CLEE recommendations that are part of either the one-time or the capital cost component. It is expected that the capital cost component, which has now made significant progress on most of the projects, will be either fully allocated or closed by the end of 2017. Once all projects are closed, any fund balances remaining will be surrendered. With regard to the one-time costs, these are primarily related to establishing/setting up ICO facilities (as opposed to operating/recurrent costs) and strengthening support for managing the ICOs. Therefore, they constitute part of the decentralization plan; hence this component can only be closed out after 2018.

## II. Gender sensitivity of IFAD's loans and grants and regular budget

9. 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 on Gender Equality and the Empowerment of Women, IFAD has developed a methodology to take gender considerations into account in IFAD's loan portfolio and the regular budget. Two separate methodologies were developed in 2013 for: (i) conducting an ex ante analysis of gender sensitivity in IFAD loans; and (ii) identifying distribution of the regular budget for gender-related activities. The outcome of this year's exercise is reported in the following paragraphs.
10. For 2017, IFAD will continue using the methodology that has been developed to determine: (i) the gender sensitivity of IFAD loans (which will also include grants in the analysis for the first time); and (ii) the distribution of the regular budget in terms of gender-related activities.

### Gender sensitivity of IFAD loans

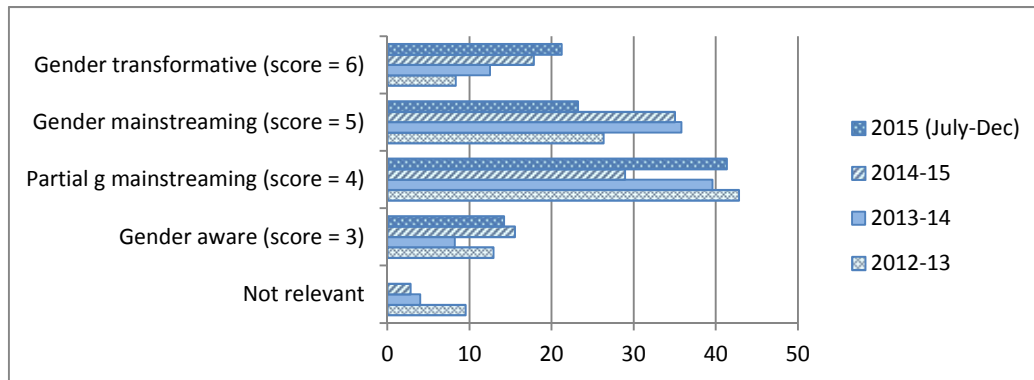
11. An analysis was conducted of the 38 loans approved by the Executive Board from September to December 2015 – amounting to US\$935 million – and compared with the results of the preceding three years (figure 1). As a result of improved design, the overall outcome of the gender sensitivity analysis shows an improvement over the previous year, with 86 per cent of the loan value rated moderately satisfactory or above with respect to gender, compared with 82 per cent in last year's analysis.
12. The proportion of the total loan value that can be classified as gender transformative<sup>2</sup> has increased to 21 per cent from 18 per cent last year. While the gender mainstreaming percentage has decreased, the total for gender and partial gender mainstreaming has remained the same. The difference in distribution can be attributed to the implementation schedules of a few large loans.

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<sup>1</sup> Document: EB 2013/109/R.12.

<sup>2</sup> Gender transformative: where activities go beyond addressing the symptoms of gender inequality to tackling the underlying social norms, attitudes, behaviours and social systems.

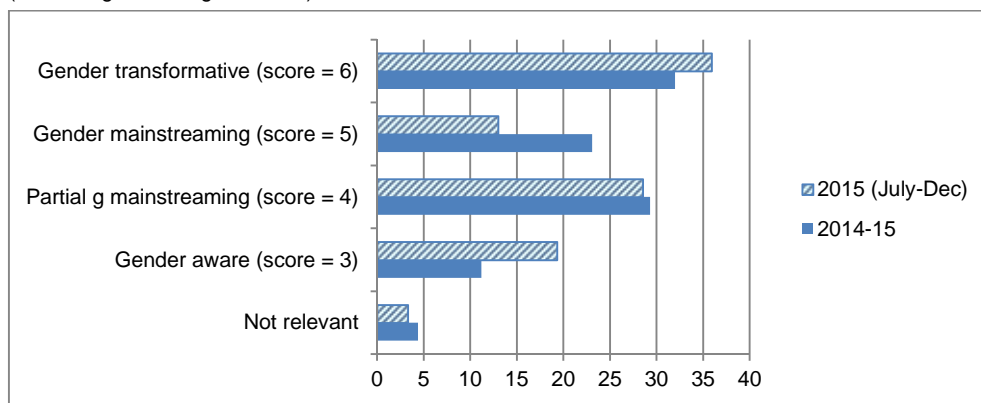
**Figure 1**  
**Distribution of total loan value approved September-December 2015 by gender score**  
 (Percentage of total loan value)



Gender sensitivity of IFAD grants

13. As noted above, for the first time an analysis was performed on the 52 grants approved during July-December 2015, for a total value of US\$56.6 million, and compared with a similar analysis for the corresponding 2014/15 period for the Report on IFAD’s Development Effectiveness (RIDE) (figure 2).
14. The proportion of the total grant value that can be classified as gender transformative has increased to 36 per cent from 32 per cent last year – in other words, more than one third of the grants are gender transformative. In the overall analysis, 77 per cent of grants by dollar value are rated moderately satisfactory or above with respect to gender. However, this is lower than the previous year.

**Figure 2**  
**Distribution of total grant value approved 2014-2015 by gender score**  
 (Percentage of total grant value)



Capturing gender-related and supporting activities in the regular budget

15. The first attempt to quantify the gender sensitivity of IFAD’s regular budget was presented in the 2014 budget document. A more accurate method of capturing gender-related data with better attribution was integrated into the 2015 and 2016 budget preparation processes. This captured gender sensitivity in IFAD’s regular budget more comprehensively, within the constraints of currently available systems. As part of IFAD’s drive to improve its approach and data collection, for the 2017 budget the Office of Budget and Organizational Development (BOD) requested the gender desk in the Policy and Technical Advisory Division (PTA) to review the gender allocation for each staff position in IFAD to ensure that the data more accurately reflect the gender component of staff time.
16. The overall result of this year’s enhanced exercise shows that 9 per cent of total staff costs are spent on gender-related activities, which accurately reflects and provides a realistic estimate of staff time devoted to gender activities. On a

departmental basis, the highest gender mainstreaming is in the Programme Management Department (PMD), at 14 per cent (with divisions ranging from a low of 5 per cent to a high of 17 per cent for PTA), followed by the Corporate Services Support Group (CSSG), ranking second at 6 per cent, both slightly lower than last year. Notable among non-PMD divisions are the Ethics Office at 15 per cent and the Communications Division at 11 per cent.

17. IFAD will continue to improve its approach and to validate its data to further enhance reporting on gender sensitivity. In addition, it will continue to seek inputs from other organizations undertaking similar work, although at this juncture IFAD seems to be ahead of the curve.

### III. Current perspective

#### A. Update on 2016 programme of loans and grants

18. As at 4 November 2016, the projected PoLG for 2016 amounts to US\$912 million, comprising an investment programme of approximately US\$860 million in support of 26 new projects and additional financing for seven ongoing projects.
19. A total of eight new projects, and additional financing for five ongoing projects, have been approved to date for a value of US\$385 million. The remaining 18 new projects (and one additional financing proposal) for a total of US\$475 million are on track for submission to the Executive Board by the end of December 2016.
20. Delivery of IFAD's global, regional and country grant programme for 2016 currently stands at 16 grants approved to date in the sum of US\$10 million, with a further 16 grants having completed quality assurance review in preparation for submission to the Executive Board for approval.

#### Portfolio

21. As at 30 September 2016, there are 241 projects in the current portfolio for a value of US\$6.8 billion in IFAD financing and an active grant portfolio comprising 239 grants valued at US\$208.1 million. Projected disbursements for the year are estimated at US\$683 million, as shown in table 1 of the executive summary. With increased decentralization and improved portfolio quality, disbursement is expected to improve.

#### B. Regular budget – 2015 actual utilization and 2016 forecast

##### 2015 actual utilization

22. Actual expenditure against the 2015 regular budget amounted to US\$141.56 million or 93.4 per cent of the approved budget of US\$151.59 million. The significantly lower utilization is primarily a result of the exchange rate on staff costs. Against the exchange rate of EUR 0.735:US\$1 used in preparing the budget, the actual average rate for the year was EUR 0.904:US\$1, which substantially impacted both EUR-denominated staff and non-staff costs. In addition, there were savings from vacant staff positions, as well as lower costs associated with the use of short-term staff consultants to temporarily fill some vacant positions. These savings were partly offset by the additional resources required to make up for the shortfall from the first year of the Ninth Replenishment of IFAD's Resources (IFAD9) and to achieve the PoLG target for the IFAD9 period. The underspend also includes non-utilization of the provision for an increase in Professional category salaries (US\$679,000) as agreed with the Executive Board.

Table 1  
**Regular budget utilization: actual 2015 and forecast 2016**  
(Millions of United States dollars)

	<i>2015 full year</i>		<i>2016 forecast</i>	
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Forecast</i>
Regular budget	151.59	141.56	146.71	142.57
Percentage utilization		93.4		97.2

#### 2016 forecast

23. Based on current projections, utilization of the 2016 budget is expected to reach US\$142.57 million or 97.2 per cent. It is expected that the budget will not be fully used due to unutilized full-time equivalents (FTEs) (partially vacant positions as a result of turnovers and normal recruitment time lags). This reflects the standard pattern of attrition and recruitment, resulting in less than 100 per cent fill ratio at any given time of the year. Minor savings are anticipated from a slight difference in the actual exchange rate for the year vis-à-vis the exchange rate of EUR 0.877:US\$1 used at the time of the 2016 budget preparation.
24. Table 2 shows both 2015 actual expenses and the 2016 forecast broken down by department. Some of the more significant variances are:
- (i) In general, the projected utilization for all departments in 2016 is expected to be less than the budget due to slightly lower staff costs arising from the marginal strengthening of the United States dollar during the course of the year. Depending on the mix of staff and non-staff costs within each department, this accounts for approximately 1 to 1.5 per cent of the underutilization.
  - (ii) The lower expected utilization for the Office of the President and Vice-President (OPV), CSSG, Partnership and Resource Mobilization Office (PRM), Strategy and Knowledge Department (SKD) and Financial Operations Department (FOD), beyond the impact of the exchange rate noted above, is due to several partial-year vacancies and/or temporary transfers. In particular, the lower utilization in SKD is due to a number of positions remaining vacant for all or part of the year.
  - (iii) The substantial underutilization in the corporate centre budget is primarily due to the non-utilization of the provision for an increase in Professional category salaries (US\$679,000), as well as anticipated savings in recruitment and relocation costs.

Table 2

**Regular budget usage by department, 2015 actual, 2016 budget and 2016 forecast**  
(Millions of United States dollars)

<i>Department</i>	<i>Actual 2015</i>	<i>Budget 2016</i>	<i>Forecast 2016</i>	<i>2016 forecast vs budget</i>
Office of the President and Vice-President (OPV)	2.16	2.46	2.37	96%
Corporate Services Support Group (CSSG)	17.02	17.93	17.32	97%
Partnership and Resource Mobilization Office (PRM)	3.42	3.74	3.61	97%
Strategy and Knowledge Department (SKD)	4.29	5.04	4.76	94%
Programme Management Department (PMD)	71.14	72.62	71.37	98%
Financial Operations Department (FOD)	9.12	9.77	9.47	97%
Corporate Services Department (CSD)	26.63	27.30	26.79	98%
Corporate cost centre	7.78	7.85	6.88	88%
<b>Total</b>	<b>141.56</b>	<b>146.71</b>	<b>142.57</b>	<b>97.2%</b>

25. For reasons of continuity and comparison with the 2016 budget, a more detailed breakdown of 2016 forecast utilization by cluster is provided in annex III.

### C. 2015 carry-forward allocation

26. 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.
27. The 3 per cent carry-forward for 2015 of US\$4.55 million was available in accordance with the eligibility criteria and implementing guidelines contained in the President's Bulletin "Guidelines for use of 3 per cent carry-forward funds" (PB/2012/06). The allocation was performed in two tranches. The call for the first tranche was made in March 2016. The allocation against the first tranche, amounting to US\$2.94 million, was approved and made available in April 2016. In accordance with the President's Bulletin, a second call for requests was issued in September 2016 and submissions were received and are being reviewed. Utilization of the first tranche was reviewed, and US\$300,000 of unused funds have been returned. Based on the initial assessment of submissions for the second tranche, it is unlikely that the 3 per cent carry-forward of 2015 will be fully allocated or utilized, as strict adherence to the eligibility criteria will continue to be maintained. Details of the first tranche allocation are set out in annex IX.

## IV. 2017 programme of work

28. In 2017, IFAD will be in the second year – and at the midpoint – of the IFAD10 period. As the Fund proposes to deliver a planned PoLG of at least US\$3.2 billion for the three-year period, it is important that an adequate pipeline is in place and approved in 2017.
29. In order to reach the target, the programme will need financing beyond IFAD's core resources. Alternative financing sources using the Sovereign Borrowing Framework have been identified and are currently being finalized. Borrowed resources will be pursued in an amount consistent with IFAD's current liquidity policy, thus making sure that over the next 40-year period IFAD maintains an adequate level of cash and investments. These will be supplemented by unrestricted complementary contributions and other funds under IFAD management.
30. For 2017, the PoLG is planned for US\$1.5 billion. This represents a record level PoLG, both in number and in the value of new investments. It demonstrates efforts to build a pipeline of investments that will ensure: (i) project readiness in case of slippages; (ii) a more balanced schedule of project approvals; and (iii) preparation of a significant pipeline in place for the first year of IFAD11. IFAD plans to achieve

this: (i) by promoting increased use of additional financing for ongoing projects and projects with scaling-up potential as identified by regional assessments and a global study of the current portfolio; and (ii) through early redistribution of resources allocated through the performance-based allocation system (PBAS) to countries for which there is no current demand during the IFAD10 period.

31. In addition, IFAD will make concerted efforts in 2017 to mobilize approximately US\$75 million in other funds under IFAD management. Despite the continued difficulty in securing official development assistance, IFAD will continue to aim for a cofinancing ratio target of 1:1.2, bringing the total programme of work for 2017 to US\$3.3 billion, including cofinancing from domestic and international sources. In addition, IFAD manages a portfolio of US\$6.8 billion in outstanding loans and grants.

Table 3

**Actual and projected programme of work**

(Millions of United States dollars)

	2013	2014	2015	2016	2017	2018
	<i>Actual<sup>a</sup></i>		<i>Forecast</i>		<i>Planned</i>	<i>Projected<sup>b</sup></i>
<b>IFAD programme of loans and grants</b>						
IFAD loans (including loan component grants) and Debt Sustainability Framework grants	864	713	1 360	860	1 447	738
IFAD grants	49	47	66	52	53	50
<b>Total IFAD PoLG<sup>c</sup></b>	<b>913</b>	<b>760</b>	<b>1 425</b>	<b>912</b>	<b>1 500</b>	<b>788</b>
<b>Other funds under IFAD management<sup>d</sup></b>	<b>112</b>	<b>114</b>	<b>67</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>Total PoLG</b>	<b>1 025</b>	<b>874</b>	<b>1 492</b>	<b>987</b>	<b>1 575</b>	<b>863</b>
<b>Cofinancing (international [net of that managed by IFAD] and domestic)</b>	<b>947</b>	<b>881</b>	<b>1 920</b>	<b>1 009</b>	<b>1 725</b>	<b>871</b>
<b>Total programme of work</b>	<b>1 972</b>	<b>1 755</b>	<b>3 412</b>	<b>1 996</b>	<b>3 300</b>	<b>1 734</b>
<b>Portfolio under implementation</b>	<b>5 700</b>	<b>6 000</b>	<b>6 860</b>	<b>6 800</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> Source: Grants and Investment Projects System (GRIPS) as at 27 September 2016. Current amounts reflect any increase/decrease in financing during implementation, including additional domestic funding and cofinancing.

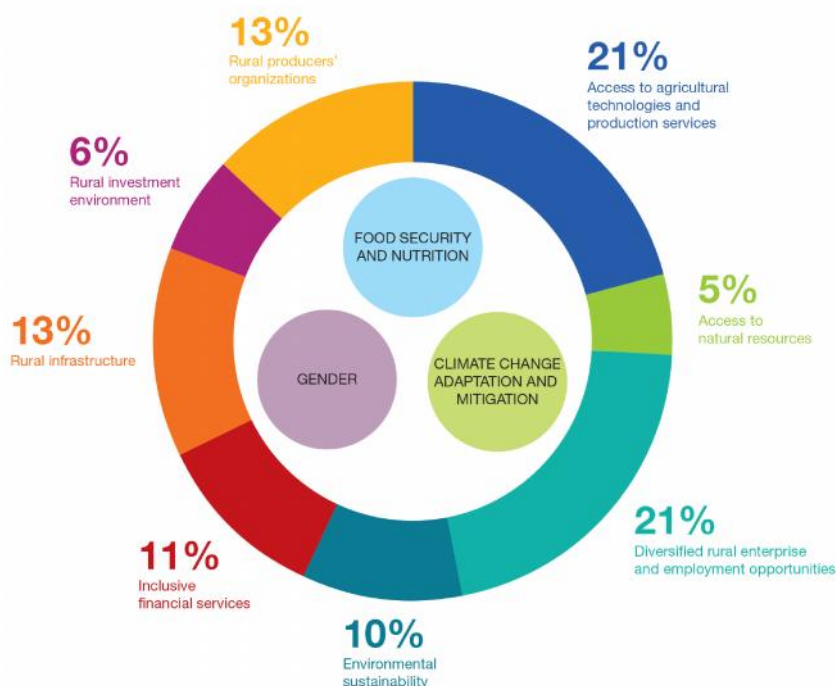
<sup>b</sup> Subject to availability of resources, a projected PoLG for 2018 may be increased, leading to a total PoLG for IFAD10 of at least US\$3.3 billion.

<sup>c</sup> Includes resources from the Adaptation for Smallholder Agriculture Programme (ASAP).

<sup>d</sup> Other funds managed by IFAD include the Spanish Food Security Cofinancing Facility Trust Fund (the Spanish Trust Fund), Global Environment Facility's Least Developed Countries Fund, Global Agriculture and Food Security Program, European Commission and European Union, in addition to bilateral supplementary/complementary grants.

32. Some 44 projects and programmes, and additional financing for seven ongoing loans and grants, are currently being prepared for approval during 2017. Four projects and programmes are planned to benefit from financing from the ASAP. IFAD expects to meet its commitment to allocate 45-50 per cent of financing to sub-Saharan Africa over the 2016-2018 period.

Figure 3  
**Indicative distribution of 2017 investment programme by area of thematic focus**



Note: Food security and nutrition, gender and climate change adaptation and mitigation are depicted as such to reflect the mainstreaming of these priorities across each area of thematic focus.

33. The estimated number of global and regional grants in 2017 is 40-50, for a total of US\$53 million. As articulated in the new IFAD Policy for Grant Financing, approved by the Executive Board in April 2015, the principal objectives of IFAD's grant programme will be to: (i) Promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact; (ii) Strengthen partners' institutional and policy capacities; (iii) Enhance advocacy and policy engagement; and (iv) Generate and share knowledge for development impact. In addition, the grant programme will focus on the following priority areas: (a) rural youth and employment; (b) rural financial inclusion; (c) improved data collection and better results measurement; and (d) agricultural research grants for development to enhance the intensification, resilience and sustainability of smallholder agriculture.

## V. 2017 net regular budget

### A. Introduction

34. The 2017 budget responds to the strategic thrusts outlined in the IFAD Strategic Framework 2016-2025 and MTP 2016-2018. It takes into account the emerging priorities for 2017 and has been prepared in the context of the targeted higher delivery of loans and grants during the IFAD10 period, of at least US\$3.2 billion. It recognizes the cost implications of new initiatives, the ongoing plan for increased decentralization, as well as other real increases associated with management decisions made in prior years (e.g replacement of the Loans and Grants System (LGS) and other capital projects). As a result, there are a number of real increase cost drivers that are unavoidable. Thus, in developing the final budget, reductions were primarily possible on the price increases through budgetary cuts and as a result of the change in the exchange rate.



## B. Budget process

### 2017 strategic workforce planning exercise

35. The strategic workforce planning (SWP) exercise is the first step in the budget process, determining the staff numbers and in turn the costs for inclusion in the budget proposal. It ensures that IFAD has the requisite workforce in terms of numbers, competencies and skills to enable it to deliver on key strategic objectives.
36. The SWP exercise for 2017 was carried out in conjunction with functional reviews in selected departments undertaken to improve the way work is carried out. The review of organizational structures and workload analysis done as part of the functional reviews served as inputs to the SWP exercise.
37. The 2017 exercise was based on the following MTP priorities: (i) decentralization of IFAD's operations; (ii) expansion of IFAD's role as a knowledge institution; (iii) implementation of the Sovereign Borrowing Framework and the resulting mobilization of resources; and (iv) cost-effective measurement of IFAD's development effectiveness. Requests for additional staffing were reviewed in light of the existing high-level planning parameters, namely: maintaining a minimal budgetary impact and giving priority to ICO-related positions.
38. Once the staffing level and complement were finalized through the SWP exercise in mid-2016, staff costs were calculated using the revised staff standard costs based on the new EUR:US\$ exchange rate. Where additional staff positions had been agreed to as part of the SWP exercise, these were appropriately reflected as part of staff costs. Once the staffing additions and cuts were finalized through the SWP exercise, costs were fixed, and departments were requested not to change the staff cost portion of their budget submissions.

### 2017 non-staff budget process

39. Once staff costs were determined, budget preparation guidelines for non-staff costs were provided to each department. Guidelines included budget parameter and overall non-staff cost envelopes for each department. Departments were requested to propose their 2017 non-staff budgets to include incremental costs and price-related increases. In addition, they were required to identify the euro component of their non-staff costs. BOD then adjusted the euro component of non-staff costs to reflect the effect of the revised exchange rate. A separate submission was required for incremental activities to be charged to complementary and supplementary management fees, which would form the gross budget for 2017.
40. BOD reviewed all budget submissions in the context of corporate priorities and directions set by Management. A systematic approach was followed in reviewing submissions. Adequate and appropriate provisions were made for new corporate initiatives arising from IFAD10 and MTP requirements, as well as continuing with the allocation to address problem projects and improve design quality. As in previous years, a review of the timeline of proposed capital projects (including CLEE) was undertaken, and the corresponding recurrent costs and depreciation for 2017 were estimated. The impact of general inflation and price escalations on specific cost items (e.g. travel, consultancy, etc.) was reviewed for each major non-staff expenditure item, and an attempt was made to absorb as much as possible.
41. Finally, the guidance, feedback and inputs provided by the Audit Committee and the Executive Board during their deliberations on the high-level preview in September were given due consideration in preparing the final budget. This document incorporates most of the clarifications and issues raised initially by the Audit Committee and subsequently the Executive Board.

## C. Assumptions

### Exchange and inflation rate assumptions

42. The exchange rate used for 2017 is EUR 0.897:US\$1, using the agreed foreign exchange methodology, compared with last year's exchange rate of EUR 0.877:US\$1 used in preparing both the high-level preview and the final 2016 budget. The slightly lower exchange rate has had a small impact on the 2017 budget proposal, primarily in lowering staff costs in United States dollars.
43. The inflationary adjustment for the 2017 budget was based on the agreed methodology. It uses specific inflation numbers for several line items and a weighted average of the world consumer price index (CPI) of 3.2 per cent (source: Bloomberg, composite rate) and the 0.9 per cent CPI for Italy (Bloomberg, Bank of Italy) for all other costs. The specific inflation rates used for different expenditure items are set out in annex XI.

### 2017 staff salary cost assumptions

44. Staff costs for the 2017 budget are based on the following assumptions:
  - (i) There will be no increase in salaries in 2017 for either General Service or Professional staff at headquarters. The International Civil Service Commission (ICSC) has proposed a number of changes in the salary structure for Professional staff that will reduce net take-home pay over the next several years. However, there will be no impact for 2017, as transitional allowances will fully cover any proposed reduction.
  - (ii) As in previous years, standard staff costs were developed separately for each grade level, adjusted for the weighted distribution by salary step based on an analysis of statistical data of the actual IFAD staff population. The exchange rate used for the 2017 budget is EUR 0.897:US\$1 and, as a result, the standard costs for 2017 are lower than those for 2016.
  - (iii) While there is no change in salaries, the normal within-grade step increment (WIGSI) constitutes a price increase. The step increase varies from 1.6 to 3.2 per cent for Professional staff and from 2.1 to 4.2 per cent for General Service staff, depending on the grade level and step. The average salary increase across the board is about 2 per cent or about US\$1.35 million.
  - (iv) The cost of new General Service recruits is based on the new lower salary scale proposed by ICSC and approved by Management. The incremental impact of this lower salary scale for 2017 has been estimated at US\$0.2 million, based on the number of new recruits in 2016. These savings have been offset against the WIGSI-related increase.
  - (v) Based on current estimates, the net impact of points (iii) and (iv) above will be about US\$1.15 million.
  - (vi) Although there is no change in salary structure at headquarters, the ICSC has made some significant adjustments to salaries in a number of countries where IFAD has offices. These have been made during the course of the year and range anywhere from 3 per cent to as high as 14 per cent. As a result, just for existing staff, the overall salary adjustment in ICOs, based on ICSC recommended salary scales, is approximately US\$350,000.
  - (vii) In the 2012 budget proposal, a provision of US\$679,000 for Professional staff salary increases was included in anticipation of Professional staff salary scale changes by the ICSC. An upward salary scale adjustment did not happen in 2012 and has not happened to date. As noted above, it is also unlikely, based on current ICSC trends, that any upward salary scale changes will take place in the near future. Therefore, it is proposed that this provision be entirely removed, starting with the 2017 budget, without any reallocation. As a result, the final proposed 2017 budget has been reduced by the entire US\$679,000.

## D. Proposed SWP staffing level for 2017

45. The approved 2016 level of 597 FTEs was used as the baseline for this year's SWP exercise. It included: 595 FTEs funded from the regular budget and 2 FTEs performing core functions funded from other sources. In addition, eight positions with coterminous contracts were funded from the gross budget (4 in relation to ASAP and four in relation to other grants).
46. Based on the 2017 SWP exercise carried out in 2016, the proposed staffing level for 2017 is 604.9 FTEs or a net increase of 7.9 FTEs. Total net increase under the regular budget is 8.4 FTEs. Of the total increase, 5.5 FTEs are for ICO staff positions in the field. Regarding core positions funded from supplementary fund fees, only two positions remain (27 positions have already been absorbed into the regular budget), with an effective 1.5 FTE as one of the incumbents will retire in the middle of the year and will not be replaced. It is currently proposed that the 1 FTE position will continue, as it directly supports supplementary fund-related activities.
47. While the total number of staff funded by the regular budget for the first time exceeds 600 FTEs, it should be noted that a total of 111 positions (78 national staff and 33 outposted Professional staff) or 18 per cent of total staff are currently based in the field. Thus, while the total number of positions may show an increase, overall staff costs will not rise to the same extent as, in general, unit staff costs in ICOs are substantially lower than those at headquarters.
48. In addition, for 2017 there will be 5.25 FTE additional positions chargeable to management fees and funded from the gross budget (1 FTE in relation to Environment and Climate Division and 4.25 FTEs in relation to other grants, primarily European Union-related), bringing the total number of coterminous positions to 13.25 FTEs.

Table 4  
**Indicative staffing requirements, 2014-2017**  
 Full-time equivalents

<i>Department</i>	<i>Approved 2014</i>	<i>Approved 2015</i>	<i>Approved 2016</i>	<i>Proposed 2017</i>	<i>Total change 2016 vs. 2017</i>
<b>Staff funded by regular budget</b>					
Office of the President and Vice-President (OPV)	11.00	11.00	11.00	11.00	0.00
Corporate Services Support Group (CSSG)	87.50	87.00	93.00	94.00	1.00
Partnership and Resource Mobilization Office (PRM)	19.00	19.00	19.00	20.00	1.00
Strategy and Knowledge Management Department (SKD)	27.66	28.00	23.00	25.00	2.00
Programme Management Department (PMD)	265.00	272.00	281.50	283.90	2.40
Financial Operations Department (FOD)	59.75	63.00	65.00	66.00	1.00
Corporate Services Department (CSD)	99.17	101.50	102.50	103.50	1.00
<b>Subtotal</b>	<b>569.08</b>	<b>581.50</b>	<b>595.00</b>	<b>603.40</b>	<b>8.40</b>
<b>Staff funded by other funding sources</b>	<b>10.47</b>	<b>6.00</b>	<b>2.00</b>	<b>1.50</b>	<b>(0.50)</b>
<b>Total staff funded by regular and other sources</b>	<b>579.55</b>	<b>587.50</b>	<b>597.00</b>	<b>604.90</b>	<b>7.90</b>
Staff FTEs chargeable to management fees*	6.00	7.00	8.00	13.25	5.25

\* Staff with coterminous contracts funded from the gross budget.

49. The main increases in staff funded from the regular budget are: 5.5 FTEs for ICOs; 5 new staff positions at headquarters, offset by the abolition of three General Service positions, with an effective FTE of 2.1.

50. Some of the significant departmental staffing changes funded by the regular budget compared to 2016 are highlighted below:
- (i) PMD has increased by 2.4 FTE positions as a result of additional support to ICOs (5.5 FTEs), reduced by one internal transfer to PRM and the abolishment of three positions with an effective FTE of 2.1 as part of the decentralization plan.
  - (ii) SKD has increased by 2 FTE positions to support work on impact assessment and research to be done by the respective divisions.
  - (iii) CSD has increased by 1 FTE for the creation of a new decentralization-related position to lead the Field Support Unit.
  - (iv) CSSG has increased by 1 FTE due to an additional General Service position in BOD.
  - (v) There is a 1 FTE increase in PRM due to the transfer of one position from PMD.
  - (vi) The FTE increase in FOD is due to an additional General Service position required to support the financial management function.
  - (vii) Indicative 2017 staffing levels funded by the regular budget and by department and grade are set out in annexes V and VI. The cost implications of the SWP exercise, including reclassification, are set out in subsection E below.
51. As committed to the Executive Board by Management, by the end of 2017 all staff performing core positions, but funded from other ad hoc funding sources, will have been absorbed into the regular budget. If the remaining one position funded from supplementary fund fees is subsequently deemed to be core, efforts will be made to absorb it in 2018.
52. There is a required increase in the number of coterminous staff positions (5.25 FTEs) funded from the gross budget to meet the emerging demands associated with implementing and managing European Union supplementary-funded projects and environment/climate projects.

#### E. 2017 cost drivers

53. The main cost drivers identified in preparing the final 2017 budget can be grouped as follows: (i) costs related to IFAD10 commitments, MTP priorities and measures to implement Results Measurement Framework targets; (ii) the strategic workforce planning exercise; (iii) decentralization- and ICO-related non-staff costs; and (iv) depreciation and other recurrent expenses related to new and ongoing capital budgets.
54. In preparing the final budget document, each component of the above cost drivers, as well as those identified subsequent to the preparation of the high-level budget document, have been re-costed and adjusted using the updated exchange rate of EUR 0.897:US\$1. While there are incremental costs associated with achieving the higher level of delivery during the IFAD10 period, these have been kept to an absolute minimum in 2017 to limit the real increase in budget.
- Costs related to IFAD10 commitments, MTP priorities and measures to implement RMF targets
55. Some new measures have had to be considered to meet commitments under IFAD10 and to improve IFAD's performance against RMF indicators. The budgetary implications of these new and additional measures have been determined. In addition, standard baseline allocations for certain deliverables such as design and supervision have been augmented to meet performance and quality requirements under IFAD10.

56. Over and above the initiatives arising from IFAD10 commitments and objectives of the MTP 2016-2018 funded in the 2016 budget, the following new deliverables have been identified for 2017: (i) improved country strategies, including the preparation of completion reports for country strategic opportunities programmes (COSOPs), which is an IFAD10-driven new requirement (US\$200,000); (ii) implementation of the development effectiveness framework (US\$150,000); and (iii) incorporation of SSTC knowledge in the design of new projects (resourced through dedicated staff time).
57. There will be a continuing need to provide support for better designed projects to meet targets set in the RMF for 2018. This will require undertaking robust baseline studies, completion surveys and capacity development in project management units, as well as mainstreaming climate, nutrition and gender while ensuring compliance with IFAD's Social, Environmental and Climate Assessment Procedures. As in 2016, funding of about US\$1.4 million has been incorporated into the 2017 budget.
58. As reported in the 2016 RIDE, the number of problem projects has increased and this will require additional funding for more intense and frequent supervision, especially in fragile states and countries with less implementation capacity. It is proposed to allocate US\$25,000 per project for all 40 projects currently considered "projects at risk". Compared with 2016, this allocation is higher owing to a greater number of problem projects and a more realistic unit cost per supervision mission.

#### Strategic workforce planning exercise

59. The result of the 2017 SWP, undertaken in May-June 2016, estimates a small increase in staff numbers, primarily for ICO and operational requirements. The net cost of these staff increases is now estimated at US\$650,000, adjusted for proposed reductions in staff positions at headquarters and in consultant staff years. The increase in ICO staff costs for the new 5.5 FTEs is US\$524,000, offset by a reduction of three General Service staff positions (equivalent to 2.1 FTEs) at headquarters or a net increase of US\$320,000. As indicated, the estimate is lower than in the high-level preview document as a result of both staff and consultant reductions by PMD. The staff reductions were mainly to offset the SWP-related increases in ICO staff. Efforts to reduce staff at headquarters will continue in 2017 and 2018 to offset the anticipated staff increases arising from the expanded decentralization plan.

#### Decentralization- and ICO-related non-staff costs

60. In line with the priority given to the establishment of ICOs and continued decentralization, at least two new ICOs and three upgrades are planned for 2017. Based on the estimated cost of new ICOs led by country programme officers (US\$30,000-US\$80,000 per ICO) and upgrades (US\$35,000-US\$85,000), recurrent non-staff costs of these offices have been estimated at US\$250,000 (excluding the staff cost increases of US\$320,000 noted above) for full-year operation. This is lower than the amount projected in the update on IFAD's country presence paper presented to the Executive Board in April 2016 due to elimination of: (i) the increase in IFAD's contribution to supporting United Nations country-level development coordination activities for ICOs in 2017 as negotiated; and (ii) the provision for relocation costs due to overall savings achieved across IFAD. The revised lower costs for 2017 and expected costs for ICOs in subsequent years (2018-2021) will be reflected in the Corporate Decentralization Plan to be presented at the December session of the Executive Board.

#### Depreciation and other recurrent expenses related to new and ongoing capital budgets

61. As a result of the completion of the first phase of the LGS replacement project and expected completion of its second phase (LGS2), there will be an increase in depreciation and recurrent costs. The LGS2 project has been renamed the IFAD

Client Portal (ICP), with a significantly expanded scope. This revised scope foresees a more comprehensive platform than had been envisaged in 2011. In addition to the originally planned electronic disbursement process and reporting, it is now intended to include several language versions, security enhancements, and streamlining and facilitation of operational work such as improving service delivery, reduced cycle times and better visibility and access to data. The main beneficiary of the ICP implementation will be the borrower/recipient of IFAD financing.

62. It is expected that this expanded LGS2/ICP project can be completed within the originally approved capital budget of US\$15.76 million. However, should there be any additional capital costs beyond the approved budget in order to complete the new scope of work, additional capital budget may be requested in 2018. A significant part of the ICP project is expected to be completed by end-2016 and early 2017, which will give rise to substantial recurrent costs as well as an increase in depreciation in 2017.
63. After considering all capital expenditure currently planned for completion by December 2016 – such as components of CLEE, routine capital expenditures, the portion of the LGS project (LGS1 and LGS1.5) already completed, and the extent of LGS2/ICP completion – the estimated incremental recurrent costs and depreciation for 2017 have now been estimated at US\$1.37 million, a slight increase over the preview amount.

#### F. 2017 net regular budget proposal

64. As noted above, feedback from the Audit Committee and Executive Board on the high-level preview has been taken into account in preparing the 2017 net regular budget proposal. The latest budget estimates are based on detailed submissions provided by the departments, which have been rigorously reviewed. As a result, the final 2017 budget proposal is lower than the preview, in spite of providing additional funding for IFAD10- and MTP-driven new requirements.
65. The 2017 net regular budget is proposed at US\$149.42 million, representing a 1.8 per cent nominal increase over 2016 (compared with 2.8 per cent in the high-level preview). The real increase has been contained to 1.5 per cent compared with the 1.7 per cent proposed in the preview. There is a net price increase of 0.3 per cent arising from inflation and price increases, adjusted for the change in exchange rate assumptions and the removal of the provision for Professional staff salary increases.
66. The US\$2.27 million or 1.5 per cent real increase is the effect of: (i) the impact of staff increases as a result of the annual SWP exercise, offset by the decrease in consultancy years (US\$650,000); (ii) recurrent costs and depreciation associated with the completion of the LGS project (US\$900,000); (iii) CLEE-related depreciation and recurrent costs (US\$270,000); (iv) depreciation from completion of other capital expenditures approved in prior years (US\$200,000); and (v) recurrent non-staff costs of new ICO offices (US\$250,000).
67. The 0.3 per cent price increase is the net effect of the assumed general inflation rate (2.05 per cent), as well as price escalations on specific cost items that could not be absorbed, adjusted for the change in the assumed exchange rate. In addition, the low net price increase benefits from the removal of the provision for salary increases in the Professional staff category, amounting to US\$ 679,000. This amount has not been reallocated within the budget proposal. Without this one-time downward adjustment, the price increase would have been 0.8 per cent, which is still lower than the 1.1 per cent estimated at the time of the high-level preview. It is also significantly lower than most of the price increases of individual line items such as consultancy and travel, as well as the weighted average general inflation rate as shown in annex XI.

68. While the overall budget for 2017 benefits from a slightly stronger United States dollar compared with 2016, the proposed budget, with a nominal increase of 1.8 per cent (or even 2.3 per cent without the removal of the salary increase provision of US\$679,000), should be considered in the context of the higher level of delivery during the IFAD10 period. This relatively small nominal budget increase is a result of cost-cutting and efficiency measures that have been and are continually being undertaken.

2017 budget proposal by department

69. The current year's budget proposal by department is set out in table 5.

Table 5

**Regular budget by department, 2016 and 2017**

(Millions of United States dollars)

<i>Department</i>	<i>Approved 2016</i>	<i>Proposed 2017</i>	<i>Total change</i>	<i>Change (percentage)</i>
Office of the President and Vice-President (OPV)	2.46	2.46	-	0.0
Corporate Services Support Group (CSSG)	17.93	18.15	0.22	1.2
Partnership and Resource Mobilization Office (PRM)	3.74	4.03	0.29	7.8
Strategy and Knowledge Department (SKD)	5.04	5.69	0.65	12.9
Programme Management Department (PMD)	72.62	72.60	(0.02)	(0.0)
Financial Operations Department (FOD)	9.77	10.96	1.19	12.2
Corporate Services Department (CSD)	27.30	27.76	0.46	1.7
Corporate cost centre:				
• Corporate cost centre costs (allocable)	2.87	3.42	0.55	19.2
• Corporate cost centre (portion not allocable)	4.30	4.35	0.05	1.2
• 2012 Professional salary increases withheld	0.68	-	(0.68)	(100.0)
<b>Total</b>	<b>146.71</b>	<b>149.42</b>	<b>2.71</b>	<b>1.8</b>

70. Most departments show a slight increase in their 2017 budget compared with 2016. The increases are primarily due to additional staff costs, higher unit costs for certain outputs, interdepartmental transfers, and increases arising from inflation, partly offset by reductions due to the slight change in the exchange rate.
71. Specific reasons for the changes in 2017 departmental allocations compared with 2016 are the following:
- OPV: There is no increase in the OPV budget. Any cost increases have been fully offset by the change in the exchange rate.
  - CSSG: The increase is primarily from additional staff and/or new activities in the Office of the Secretary, BOD, Office of the General Counsel and Office of Audit and Oversight. The budgets of other divisions in CSSG remain flat.
  - PRM: The increase in PRM's budget includes the transfer of one position from PMD and additional consultancy support associated with the creation of a new unit within PRM.
  - SKD: The increase in SKD's budget, in spite of exchange rate savings, is due to two additional staff positions in 2017, additional non-staff requirements to produce the necessary outputs for knowledge management and research, as well as impact assessment-related work
  - PMD: The 2017 PMD budget is slightly lower than 2016 primarily due to the transfer of the financial management function and associated resources to FOD and the transfer of one staff position to PRM. These reductions and exchange rate savings have been offset by additional funding provided for new IFAD10- and MTP-related initiatives, as well as additional funding for problem projects and improved design.

- (f) FOD: The increase in FOD's budget is mainly due to the transfer of financial management from PMD. Additional staff and non-staff resources have been provided over and above the resources transferred from PMD. There are also additional costs associated with the splitting of the Controller's and Financial Services Division into two separate divisions.
- (g) CSD: The higher 2017 budget for CSD is due to the recurrent costs of new ICOs, an additional staff position for Field Support Unit (FSU) management, incremental non-staff costs for the Human Resources Division (HRD) and FSU, and recurrent maintenance costs of completed IT-related capital projects. These have been partially offset by savings in the Administrative Services Division and the revised assumed exchange rate.
- (h) Corporate cost centre: Costs under this heading are split between those centrally managed institutional costs that are allocable (i.e. recruitment and assignment costs, LGS depreciation and costs associated with the rewards and recognition framework) and those that are centrally managed but not allocable (i.e. other depreciation, maternity, after-service medical costs, external audit fees, etc.).
- The increase in allocable corporate costs is primarily due to recurrent costs and depreciation associated with the completion of the LGS replacement capital project, offset by a reduction in recruitment and relocation costs, and lower costs associated with the rewards and recognition framework.
  - The slight increase in unallocable corporate costs is due to additional CLEE-related depreciation and recurrent costs, as well as an increase in regular depreciation.
  - The provision for increases in Professional staff salaries, which was set aside in the 2016 budget, has been removed from the 2017 budget proposal.

#### 2017 budget proposal by summary cost category

72. The breakdown of the 2017 budget proposal across major cost categories is set out in table 6. Annex IV provides an analysis of the 2017 budget proposal by detailed cost category and by department. The final budget by cost categories differs slightly from the high-level preview as a result of better estimates. It includes the cost of new IFAD10 and MTP initiatives (which were not included in the preview) and the impact of detailed price and inflation adjustments, offset by the impact of the change in the assumed exchange rate and the removal of the provision for salary increases in the Professional staff category (US\$679,000).

Table 6

#### **Analysis of budget by summary cost category, 2016 and 2017**

(Millions of United States dollars)

<i>Cost category</i>	<i>Approved 2016</i>	<i>Proposed 2017</i>	<i>Total change</i>	<i>Change (percentage)</i>
Staff	85.91	86.30	0.39	0.5
Consultants	23.50	24.80	1.30	5.5
Duty travel	9.84	10.24	0.40	4.1
ICT non-staff costs	5.16	5.22	0.06	1.2
Other costs	22.30	22.86	0.56	2.5
<b>Total</b>	<b>146.71</b>	<b>149.42</b>	<b>2.71</b>	<b>1.8</b>

73. The increase in staff costs from US\$85.91 million in 2016 to US\$86.3 million in 2017 is primarily due to increases arising from additional staff positions as a result of the SWP exercise and the mandatory WIGSI adjustment, almost fully offset by



the impact of the change in the exchange rate on staff salaries and a lower allocation for recruitment and relocation costs.

74. The consultancy costs in 2017 are higher than in 2016, due to: additional allocations for IFAD10- and MTP-related initiatives; costs associated with additional supervision for projects at risk; price increases (based on data provided by HRD); recurrent outsourced support costs associated with completion of the LGS, CLEE and regular capital projects – partly offset by the reduction in consultant years associated with new staff positions.
75. The slight increase in duty travel in 2017 is due to increased supervision of problem projects and price increases in airfare and hotels using data presented in annex XI.
76. Non-staff costs for ICT are marginally higher, partly due to higher recurrent costs of the completed CLEE and capital expenditure projects, offset by the effect of exchange rates on EUR-denominated ICT expenses.
77. The increase in other costs is mainly due to higher depreciation associated with the completion of the CLEE and LGS capital projects, recurrent costs of new ICOs, offset by the exchange rate for the euro-denominated component of other costs and the removal of the provision for the Professional staff salary increase.

Moving from clusters to pillars

78. IFAD continuously strives to improve and be on the cutting edge in its approach to corporate planning and budgeting, with the aim of effectively focusing resources on meeting its strategic objectives. The shift from clusters to pillars will further improve the effectiveness of corporate planning and budgeting processes. With the long-term strategic objectives set out in the Strategic Framework and the emerging priorities identified for the three-year MTP period, the outputs to achieve these are determined annually. The level and extent of the outputs may vary from year-to-year, depending on emerging priorities and in response to evolving opportunities and challenges. The outputs are then mapped to the corresponding results pillars. Appropriate resources, both staff and non-staff, are then allocated to deliver the required outputs within each pillar.
79. This improvement allows IFAD to focus more on results and link the budget directly to outputs. This in turn means it is the outcomes and outputs that drive the budget process, rather than the budget allocations that drive the planning process. It is proposed to treat 2017 as a transition year and the 2018 budget will be the first that will be based on the pillar-linked outputs approach. For 2017, detailed outputs and associated standard costs are in the process of development, which will be then mapped against the correct pillar. To date, some major output categories have been determined. A first attempt, using available information, to break down the 2017 budget across these broad output categories is shown in table 7.

Table 7

**Indicative breakdown of regular budget by broad output category, 2017**

(Millions of United States dollars)

<i>Broad output category</i>	<i>Proposed staff 2017</i>	<i>Proposed non-staff 2017</i>	<i>Proposed budget 2017</i>
1 Country programme (ICOs and COSOPs)	12.95	9.25	22.20
2 Design	13.27	11.13	24.40
3 Supervision	16.56	16.30	32.86
4 High-level policy dialogue and knowledge products	7.78	2.31	10.09
5 Resource mobilization	3.20	0.45	3.65
6 Finance	5.41	0.60	6.01
7 Human resources	6.52	1.91	8.43
8 Risk and governance	5.19	1.00	6.19
9 Administration, facilities and IT	8.66	11.38	20.04
10 Governing bodies	5.46	2.32	7.78
11 Corporate costs	1.30	6.47	7.77
<b>Total</b>	<b>86.30</b>	<b>63.12</b>	<b>149.42</b>

80. Subsequently, these output categories will be further disaggregated into more granular outputs to the extent possible, and for which meaningful standard costs can be determined. During the course of 2017, these outputs, with corresponding resource allocations, will be placed in the relevant pillar for more accurate representation of resource allocations by pillar each year.
81. Being the transition year, a comparison of the 2016 approved budget and the 2016 forecast by cluster is provided in annex III for the purposes of continuity.
- G. 2017 gross budget proposal**
82. IFAD implements and manages a number of operations for third parties that are external but complementary to IFAD's PoLG. 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.
83. The gross budget includes the net regular budget as well as resources required to administer and support specific supplementary-fund-related incremental work. The work performed to carry out IFAD's core PoLG and related activities will continue to be funded by the net regular budget. Separating the gross and net budgets ensures that fluctuations in the supplementary-fund-related workload do not affect the regular budget on a year-to-year basis. Only incremental costs to support supplementary-fund-related activities for ASAP, the European Union (including the CGIAR), and the Spanish Trust Fund are included in the gross budget.
84. For 2017, the cost of supporting supplementary-fund-related work is US\$5.2 million over and above the net regular budget of US\$149.42 million. Compared with US\$4.6 million in 2016, the increase is primarily due to additional coterminous staff positions (5.25 FTEs) to meet emerging demands and the cost of supervising a growing ASAP portfolio, partially offset by reductions in non-staff costs.
85. As a result, the gross budget proposed for 2017 amounts to US\$154.62 million compared with US\$151.31 million in 2016. This amount can be fully recovered from the annual allocable portion of the fee income generated from ASAP, the Spanish Trust Fund, the European Union and European Commission and CGIAR. Approval is being sought only for the proposed net regular budget of

US\$149.42 million. Table 8 provides a summary of the gross and net regular budget.

Table 8  
**Indicative gross and net budget, 2017**  
(Millions of United States dollars)

<i>Cost category</i>	<i>2016</i>	<i>2017</i>
Gross budget	151.31	154.62
Costs to support supplementary fund work	(4.60)	(5.20)
<b>Net budget</b>	<b>146.71</b>	<b>149.42</b>

#### H. Efficiency ratio

86. Based on a PoLG of US\$1.575 billion (including other IFAD-managed funds) and the proposed gross budget of US\$154.62 million, the administrative efficiency ratio (efficiency ratio 1) for 2017 is expected to be 9.8 per cent, which is a marked improvement over the average for IFAD9 of 12.9 per cent. If cofinancing is included, the efficiency ratio (efficiency ratio 2) based on the total programme of work is projected at 4.7 per cent compared with 6.1 per cent average for the IFAD9 period. The average efficiency ratio for the IFAD10 period is likely to remain the same as for IFAD9 at 12.9 per cent. The expected increase in the total budget for the three-year period is likely to be offset by the increase in the total PoLG (including other IFAD-managed funds), given the higher targeted lending level of at least US\$3.2 billion.
87. A third efficiency ratio was introduced last year to measure the amount of portfolio managed per dollar of budget expenditure. The monetary value of the current portfolio has increased from US\$5.7 billion in September 2013 to US\$6.8 billion in September 2016, or an increase of 19 per cent, whereas total costs have increased from US\$143.9 million in 2013 to US\$147.2 million forecast for 2016, or an increase of only 2 per cent. As a result, the amount of portfolio managed has increased from US\$40 for every United States dollar expenditure to US\$46, as shown in table 9.

Table 9  
**Efficiency ratios**  
(Millions of United States dollars)

	<i>Actual 2013</i>	<i>Actual 2014</i>	<i>Actual 2015</i>	<i>IFAD9 period</i>	<i>Forecast 2016</i>	<i>Planned 2017</i>
<b>Programme of work</b>						
Programme of loans and grants	913	760	1 425	3 098	912	1 500
Other IFAD-managed funds	112	114	67	293	75	75
<b>Subtotal</b>	<b>1 025</b>	<b>874</b>	<b>1 492</b>	<b>3 391</b>	<b>987</b>	<b>1 575</b>
<b>Cofinancing<sup>a</sup></b>	<b>947</b>	<b>881</b>	<b>1 920</b>	<b>3 748</b>	<b>1 009</b>	<b>1 725</b>
<b>Total programme of work</b>	<b>1 972</b>	<b>1 755</b>	<b>3 412</b>	<b>7 139</b>	<b>1 996</b>	<b>3 300</b>
<b>Value of portfolio under implementation</b>	<b>5 700</b>	<b>6 000</b>	<b>6 860</b>	<b>n/a</b>	<b>6 800</b>	<b>n/a</b>
<b>Total costs</b>						
Regular budget	139.1	142.2	141.6	422.9	142.6	149.4
Costs to support supplementary fund activities	4.8	4.7	4.7	14.2	4.6	5.2
<b>Total costs</b>	<b>143.9</b>	<b>146.9</b>	<b>146.3</b>	<b>437.1</b>	<b>147.2</b>	<b>154.6</b>
<b>Efficiency ratio 1: Total costs/PoLG including other IFAD-managed funds<sup>b</sup></b>	14.0%	16.8%	9.8%	12.9%	14.9%	9.8%
<b>Efficiency ratio 2: Total costs/programme of work</b>	7.3%	8.4%	4.3%	6.1%	7.3%	4.7%
<b>Efficiency ratio 3: Portfolio/total costs</b>	\$40	\$41	\$47	n/a	\$46	n/a

<sup>a</sup> Amounts shown as cofinancing with other IFAD-managed funds reflect a revised target of a factor of 1.2 to the PoLG.

<sup>b</sup> Efficiency measure agreed as part of IFAD9.

## VI. Capital budget for 2017

### 2017 capital budget request

88. As proposed in prior years, the capital budget will be split into two categories, namely: (i) 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 and, this year, to include replacement of vehicles at ICOs); and (ii) a capital budget to fund major IT (if any) and other investment projects, subject to available capacity to undertake additional projects.
89. For 2017, a capital budget of US\$2.4 million is proposed, which is the same level as in the last two years. As detailed in table 10, the total amount comprises: (i) US\$974,000 for annual capital budgets; (ii) US\$745,000 for ICT initiatives as endorsed by the IT Governance Committee; (iii) US\$286,000 for human resources reform initiatives; (iv) US\$150,000 for an International Financial Reporting Standard 9 (IFRS9) impairment tool as part of compliance requirements; and (v) US\$250,000 for enhancements to existing document management and archiving systems.
90. Based on the current accounting standards being applied by IFAD, depreciation is charged on a straight-line basis over the estimated useful economic life (four years for IT hardware and up to a maximum of 10 years for software development costs, including LGS replacement costs). On this basis, the incremental depreciation of the capital expenditure projects going live in 2016 and 2017 will be approximately US\$738,000 in 2017. The higher allocation is due to the completion of a substantial number of capital project components in 2016, including LGS and CLEE. Depreciation on the 2017 capital budget is likely to begin only in 2018.

Table 10  
**Capital budget request, 2017**  
 (Thousands of United States dollars)

	<i>2017 proposed</i>
<b>Annual capital budget</b>	
IT regular hardware replacement	520
ICO vehicle purchase/replacement	454
<b>Subtotal</b>	<b>974</b>
<b>Other capital budgets</b>	
ICT initiatives	375
Periodic IT infrastructure	370
Human resources reform initiatives	286
IFRS9 compliance requirement	150
Document management and archiving systems enhancements	250
<b>Subtotal</b>	<b>1 431</b>
<b>Total</b>	<b>2 405</b>

## VII. Special expenditure budget for IFAD11

91. In line with Governing Council resolution 181/XXXVII, the Executive Board is requested to approve the appropriation for the special expenditure budget for the IFAD11 replenishment exercise. Costs associated with this exercise will start in January 2017 and should be completed by mid-2018, excluding the midterm review.
92. The estimate was revised and is now lower than the amount indicated in the high-level preview. The final estimate, which includes the cost of the external chair for the replenishment exercise, is provided in table 11. Compared with the actual cost of US\$1.05 million for the IFAD10 exercise, US\$1.04 million is proposed for IFAD11. The slight decrease takes account of the exchange rate on euro-denominated costs, offset by a small increase in consultancy costs.

Table 11  
**Estimated special expenditure budget**  
 (Millions of United States dollars)

<i>Description</i>	<i>IFAD10 actuals</i>	<i>IFAD11 proposed</i>
Language, translators and conference-related costs	0.51	0.45
Staff costs	0.13	0.13
Administrative costs	0.07	0.09
Consultancy costs (including external Chair)	0.26	0.28
Midterm review	0.07	0.08
Contingency/miscellaneous	0.01	0.01
<b>Total</b>	<b>1.05</b>	<b>1.04</b>

## Part two - Results-based work programme and budget for 2017 and indicative plan for 2018-2019 of the Independent Office of Evaluation of IFAD

### I. Introduction

93. This document contains the results-based work programme and budget for 2017 and indicative plan for 2018-2019 of the Independent Office of Evaluation of IFAD (IOE). It has been developed in consultation with IFAD Management and takes into account the priorities expressed by IFAD governing bodies in 2015 and feedback from the Evaluation Committee, Audit Committee and Executive Board in their respective September 2016 sessions. This final version of the document also reflects the feedback from the Evaluation Committee in October 2016.
94. As per past practice, the budget proposal will be considered again by the Audit Committee in November 2016, together with IFAD's 2017 administrative budget. Finally, the budget will be submitted, upon the recommendation of the Board in December 2016, to the Governing Council in 2017 for approval.
95. Context. IFAD plans to deliver US\$3.2 billion in loans and grants during the Tenth Replenishment of IFAD's Resources (IFAD10) period (2016-2018). IFAD10 set several operational priorities for achieving IFAD's overarching goal of rural transformation. They include the development of sustainable and inclusive smallholder agriculture, nutrition, adaptation to climate change, scaling up, gender equality and women's empowerment. These priority areas are reflected in the IFAD Strategic Framework 2016-2025. In addition, organizational decentralization and financial sustainability are major areas of attention to further enhance IFAD's development and institutional effectiveness.
96. These plans and priorities provide the backdrop for IFAD's independent evaluation work programme. The IOE results-based work programme and budget has been developed based on the application of the IOE selectivity framework after careful examination of the priorities set for IFAD10<sup>3</sup> and the Medium-term Plan for 2016-2018. Also important is IOE's medium-term strategic vision for 2016-2018, which is anchored to IFAD's strategic vision 2016-2025 and provides the wider framework for IOE activities in the next two years (see Box 1).

#### Box 1

##### **IOE mission and vision statements**

###### Mission

To promote accountability and learning through independent, credible and useful evaluations of IFAD's work.

###### Vision

Increasing the impact of IFAD's operations for sustainable and inclusive rural transformation through excellence in evaluation.

97. While developing its work programme and budget, IOE has considered the need to continue providing high-quality evaluations. Rigorous methodology and improved analysis are fundamental for achieving IOE's mandate of accountability and learning. Since January 2016, IOE has been implementing the methodology contained in the second edition of the Evaluation Manual in all types of evaluations.
98. The Evaluation Manual codifies the methods and processes for all types of evaluation undertaken by IOE, including corporate-level evaluations (CLEs),

<sup>3</sup> The final Consultation on the Tenth Replenishment of IFAD's Resources report is available at <https://webapps.ifad.org/members/gc/38/docs/GC-38-L-4-Rev-1.pdf>.

country strategy and programme evaluations (CSPEs), project evaluations including impact evaluations, and evaluation synthesis reports (ESRs). The manual has streamlined the IOE evaluation methodology and processes, thereby increasing methodological rigour, improving analysis and minimizing unit costs. The new manual also serves as the basis for developing a new harmonization agreement with IFAD Management to align the methodologies used in IFAD's independent and self-evaluation systems. The aim of the agreement is to ensure that both systems contribute to achieving IFAD's goals and objectives through complementarity and mutual reinforcement.

99. The IOE results-based work programme and budget document is based on a critical assessment of needs rather than simply using the current budget as a baseline.<sup>4</sup> It illustrates the links between the work programme and expenditures, and details the breakdown of budgeted costs, especially non-staff costs such as those for consultants. In addition, the document provides details of actual expenditures for 2015, budget utilization up to mid-October 2016 and a current estimate of the expected 2016 year-end utilization.
100. On a process related issue, in line with the IFAD Evaluation Policy,<sup>5</sup> the IOE budget is developed independently of IFAD's administrative budget.<sup>6</sup> However, the proposed budget is based on the same budgeting principles and parameters (e.g. exchange rate, standard costs for staff positions and inflation factor) used by IFAD Management in preparing its own administrative budget for 2017.
101. This document has been organized into five sections. Section I contains the introduction. Section II the highlights of 2016: achievements of the 2016 evaluation work programme so far; the overall 2015 budget utilization; the 2016 budget utilization as of mid-October 2016 and the projected utilization for 2016; and the use of the 3 per cent carried forward from the 2015 IOE budget. Section III provides a brief description of IOE's strategic objectives (SOs) while section IV focuses on proposed evaluation activities for 2017. Section V outlines the initial proposal for the 2017 budget and the human resources IOE requires to implement its work programme and achieve its main objectives effectively and on time.

## II. Current perspective

### A. Highlights of 2016

102. By the end of this year, IOE expects to implement all planned activities in its 2016 work programme. Selected achievements to date include the following:
  - Completion of the CLE of IFAD's performance-based allocation system (PBAS).<sup>7</sup> The CLE was finalized on time and presented to the Evaluation Committee in March and the Board in April 2016. Its findings and recommendations are expected to inform the revised PBAS design, which will be presented to the Board by Management in December 2016.
  - Finalization of the formative CLE on IFAD's decentralization experience. The paper on the CLE approach<sup>8</sup> was presented to the Evaluation Committee in March 2016 and incorporated comments by Committee members. The draft evaluation report has been shared with IFAD Management, discussed at the ninety-fifth session of the Evaluation Committee in November, and will be presented to the Board in December 2016. The findings of this evaluation will inform the preparation of the

<sup>4</sup> See document EB 107/Rev-1, Minutes of the 107<sup>th</sup> session of the Executive Board, paragraph 29.

<sup>5</sup> The revised IFAD Evaluation Policy is available at: <https://webapps.ifad.org/members/eb/102/docs/EB-2011-102-R-7-Rev-3.pdf>.

<sup>6</sup> See revised IFAD Evaluation Policy, para 38: "The levels of the IOE component and IFAD's administrative budgets will be determined independently of each other".

<sup>7</sup> Final report available at: <https://webapps.ifad.org/members/eb/117/docs/EB-2016-117-R-5.pdf>.

<sup>8</sup> Available at: <https://webapps.ifad.org/members/ec/91/docs/EC-2016-91-W-P-3-Rev-1.pdf>.

corporate decentralization plan, which Management aims to present to the Board in December 2016.

- Implementation of the second edition of the IFAD Evaluation Manual<sup>9</sup> and development of the harmonization agreement between IFAD's independent and self-evaluation systems. IOE is implementing its 2016 evaluation activities according to the provisions of the second edition of the Evaluation Manual. The IOE results-based work programme and budget adopts the terminology used in the new manual, project performance assessments (PPAs) are now referred to as project performance evaluations (PPEs) and country programme evaluations (CPEs) as country strategy and programme evaluations (CSPEs).
- Finalization of the 2016 Annual Report on Results and Impact of IFAD Operations (ARRI). As decided by the Executive Board in September 2015, both the ARRI and the Report on IFAD's Development Effectiveness (RIDE) were presented at the respective September 2016 sessions of the Evaluation Committee and Executive Board. This year's ARRI learning theme was knowledge management, with an emphasis on learning to improve performance in IFAD operations. This is the second edition of the ARRI in which data-collection, analysis and report writing have been entirely undertaken by IOE staff. It is a reflection of IOE's intention to increasingly insource its evaluation work in order to achieve cost savings and improve quality.
- Finalization of two evaluation synthesis reports. ESRs on non-lending activities in the context of South-South and triangular cooperation, and on environment and natural resource management were completed in 2016. The ESR on non-lending activities was presented to the Evaluation Committee in June 2016 while the two ESRs on smallholder access to markets and environment and natural resource management were presented to the Committee in October 2016. As agreed with the Executive Board, three additional ESRs are being prepared in 2016 on: (i) IFAD's support to scaling up results; (ii) country-level policy dialogue; and (iii) achieving gender equality and women's empowerment – a review of practices and results.
- Presentation of the CPEs for Brazil, Ethiopia, India, Nigeria and Turkey to the Evaluation Committee. The CSPE for India was presented to the ninety-fourth session of the Committee on 13 October. The national round-table workshop for the CSPE for the Democratic Republic of the Congo took place on 18 October. The national round-table workshop for the CSPE for the Philippines will be organized in end-November, in accordance with the IOE workplan.
- IOE has completed its third impact evaluation, which was conducted in Mozambique. The results of the evaluation were presented to the Evaluation Committee in October. The fourth impact evaluation by IOE has begun and the project selected is the Agricultural Support Programme in Georgia.
- IED-IOE joint evaluation in the Lao People's Democratic Republic. The Independent Evaluation Department (IED) of the Asian Development Bank and IOE are conducting a joint project performance evaluation of the Northern Region Sustainable Livelihoods through Livestock Development Project in the Lao People's Democratic Republic. The approach paper for this evaluation is in preparation.

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<sup>9</sup> The first Evaluation Manual was developed in 2008 and published in 2009. Both editions of the Evaluation Manual are available at [www.ifad.org/evaluation/policy\\_and\\_methodology/overview](http://www.ifad.org/evaluation/policy_and_methodology/overview).



103. Reporting. IOE has implemented balanced score cards – a tool used by many non-profit organizations – to ensure better monitoring, assessing and reporting on implementation of its workplan and budget during the year. Balanced score cards serve as a valuable management tool in making necessary adjustments to the work programme to achieve IOE's overall strategic objectives in a timely manner. Based on these score cards, IOE has further developed its 2016-2018 Results Measurement Framework (annex XII) and relevant monitoring and reporting framework, including key performance indicators (annex XIII).
104. Progress in implementing planned evaluation activities for 2016 is summarized in table 1 of annex XIII. The present document also includes a summary of progress made through mid-October 2016 in meeting the targets for each key performance indicator included in the 2016-2018 Results Measurement Framework (table 2 in annex XIII). The data reveal that most activities are on track.

## B. 2015 budget utilization

105. Table 1 provides information on IOE's budget utilization in 2015, from January until mid-October 2016, and that expected by year-end.

Table 1

### IOE budget utilization in 2015 and projected utilization in 2016

(United States dollars)

<i>Evaluation work</i>	<i>Approved budget 2015</i>	<i>Budget utilization 2015</i>	<i>Approved budget 2016</i>	<i>Commitment as of mid-Oct 2016</i>	<i>Expected utilization as at year-end 2016</i>
Staff travel	355 000	432 277	376 000	327 514	376 000
Consultant fees	1 485 000	1 638 956	1 495 000	1 367 926	1 495 000
Consultant travel and allowances	410 000	445 724	440 000	295 940	440 000
In-country CPE/CSPE learning events	40 000	1 864	45 000	28 718	45 000
Evaluation outreach, staff training and other costs	165 892	249 700	185 520	61 443	185 520
<b>Non-staff costs</b>	<b>2 455 892</b>	<b>2 768 521</b>	<b>2 541 520</b>	<b>2 081 541</b>	<b>2 541 520</b>
<b>Staff costs</b>	<b>3 614 041</b>	<b>3 199 558</b>	<b>3 127 899</b>	<b>2 890 540</b>	<b>3 003 172</b>
<b>Total</b>	<b>6 069 933</b>	<b>5 968 079</b>	<b>5 669 419</b>	<b>4 972 081</b>	<b>5 544 692</b>
<b>Utilization (percentage)</b>		<b>98.3%</b>		<b>87.7%</b>	<b>97.8%</b>

Based on committed staff costs adjusted for exchange rate to mid-October 2016.

106. Actual total expenses against IOE's 2015 budget amounted to US\$5.97 million, equal to a utilization of 98.3 per cent. The slightly reduced utilization largely resulted from savings in staff costs derived from the strengthening of the United States dollar against the euro in the latter part of the year, and from vacant positions. Staff cost savings were partly offset by an increase in consultancy requirements to accomplish tasks related to vacant positions. Some of the staff costs savings were also used to undertake training and additional outreach in order to ensure wider dissemination of evaluation lessons during the year.
107. Against an approved budget for 2016 of US\$5.67 million, utilization (in terms of commitments) as of mid-October 2016 is US\$4.97 million, or 87.7 per cent. Utilization at this time of year is based on the full year commitment of staff costs, with the exception of two Professional positions filled during the first quarter of 2016 and the Deputy Directory position, which was filled only in September 2016.
108. The expected overall utilization in 2016 of the total IOE budget as of the year-end is projected at US\$5.54 million, corresponding to 97.8 per cent of the approved

budget. The anticipated lower utilization is in staff costs as a result of the vacant positions mentioned.

### C. Utilization of the 2015 carry-forward

109. 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.
110. IOE's 3 per cent carry-forward from 2015 amounted to US\$182,098. These funds have been allocated to the following evaluation activities:
- (i) ESR on gender. The evaluation synthesis report was partially costed in the 2016 budget since it was planned to be conducted jointly with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP). This cost must now be fully absorbed by IOE.
  - (ii) CLE on decentralization. This evaluation is being undertaken in an extremely short time period. The resource implications of this could only be fully estimated when the evaluation design was finalized in early 2016. The 3 per cent carry-forward was used to enhance the evidence base and quality of the evaluation by conducting regional consultations to capture the views of in-country partners and beneficiaries. These data will be triangulated with the other data collected through such as surveys, interviews and case studies;
  - (iii) CLE on IFAD's financial architecture. Part of the 3 per cent carry-forward is being used to prepare the approach paper for the 2017 CLE on IFAD's financial architecture. This will allow the evaluation to be in full swing in the first trimester of 2017 and will ensure the timeliness of preliminary findings to inform the replenishment consultations, as requested by the Executive Board.

## III. IOE strategic objectives

111. As agreed with the Executive Board in December 2013, IOE aligns its SOs with IFAD replenishment periods. The purpose is to ensure a more coherent link between IOE SOs and corporate priorities. The following SOs were proposed for 2016-2018 (IFAD10) and approved by the Board in December 2015:
- (i) SO1: Generate evidence through independent evaluations of IFAD's performance and results to promote accountability; and
  - (ii) SO2: Promote evaluation-based learning and an enhanced results culture for better development effectiveness.
112. These two objectives should allow IOE to achieve the overarching goal set for independent evaluation: to promote accountability and learning through independent, credible and useful evaluations of IFAD's work.

## IV. 2017 work programme

113. The proposed list of IOE evaluation activities for 2017 can be found in table 1 of annex XIV, and the indicative plan for 2018-2019 is presented in table 2 of that annex. The proposed work programme for 2017 is enhanced in terms of methodological rigour and insourcing of evaluation activities, and driven by a methodology and streamlined process derived from the second edition of the Evaluation Manual. It is also important to note that the mix of evaluation products that IOE proposes in 2017 provides the necessary basis for strengthening IFAD's broader accountability and learning, enabling better development effectiveness.
114. The selection and prioritization of independent evaluations is facilitated by the use of a selectivity framework, which is included in annex XVII. The selectivity framework also enhances transparency in developing the divisional work

programme. The following paragraphs provide an overview of IOE's main evaluation activities for 2017.

115. Next year, IOE proposes to undertake a new CLE on IFAD's financial architecture, which will be completed by year-end and presented to the Executive Board in 2018. However, as requested by the Board, IOE will ensure that the preliminary findings of this CLE inform the replenishment consultations in a timely manner. It is appropriate that IOE look at the adequacy and sustainability of the financial instruments used by IFAD to fund its programme of loans and grants (PoLG), and that it contribute to the identification of innovative sources of financing other than traditional replenishment sources.
116. Given the significant reduction in official development assistance, which is affecting the level of funding mobilized through the replenishment cycles, IFAD cannot only rely on donor contributions through periodic replenishments in the future. In 2015, the Board allowed IFAD to begin borrowing funds from sovereign sources to augment its resource availability. In light of this, the evaluation will look at IFAD's capacity to leverage additional financial resources for rural poverty reduction.
117. The CLE on IFAD's financial architecture constitutes a major evaluation on a critical topic and will be a ground-breaking exercise; only the International Finance Corporation of the World Bank has conducted a similar evaluation in the past. Other CLEs provisionally planned beyond 2017 are shown in the indicative plan for 2017-2018 (annex XIV, table 2).
118. With regard to CSPEs, the principal aims are to: assess the results and impact of the partnership between IFAD and governments in reducing rural poverty; and provide building blocks for the preparation of IFAD country strategies in each country following completion of the CSPE. In 2017, IOE will complete the CSPEs begun in 2016 in Egypt and Mozambique. In addition, IOE plans to initiate five new CSPEs – one in each of IFAD's five regional divisions. The 2017 CSPEs will be undertaken in Angola, Cambodia, Cameroon, Georgia and Peru. It is worth noting that no CSPE has been conducted in any of these countries in the past. Therefore, the 2017 CSPEs will further strengthen IFAD's learning and accountability by expanding the coverage of IFAD-financed operations under evaluation.
119. Building on its experience conducting impact evaluations,<sup>10</sup> next year IOE will launch another impact evaluation on a project to be determined based on the selectivity framework. It is important to underline that IOE's impact evaluations are not the same as those undertaken by Management in the IFAD9 and IFAD10 periods. In fact, IOE's main aim in conducting impact evaluations is to test innovative methodologies and processes for assessing the results of IFAD operations more rigorously. They also allow IOE to gain important first-hand experience in implementing impact evaluations, thus contributing to ongoing internal and external debate on the subject.
120. In addition, IOE will prepare two ESRs in 2017. These reports are largely based on existing evaluation evidence and serve to document and share lessons and good practices on topics that can inform IFAD's policies, strategies and operations. The proposed topics for the two ESRs in 2017 are: (i) fishery, aquaculture and coastal area development; and (ii) partnership-building at the country level, including with the private sector.
121. The ESR on fisheries and aquaculture was requested by the Evaluation Committee. However, it is important to note that IFAD has little existing evaluative evidence from past evaluations on this topic. Therefore, IOE proposes to incorporate evidence from evaluations on the topic performed by evaluation functions in other multilateral and bilateral development organizations. With regard to the ESR on

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<sup>10</sup> IOE has conducted three impact evaluations: in Sri Lanka, India and Mozambique.

partnerships, IOE has past evaluative evidence on the topic since all CSPEs assess and rate partnership-building at the country level. Moreover, IOE conducted a CLE on IFAD's private-sector development and partnership strategy, which was presented to the Executive Board in May 2011.

122. Following the methodological streamlining introduced by the second edition of the Evaluation Manual, IOE has adopted a more rigorous approach to preparing ESRs – for example by applying a more systematic analysis of qualitative and quantitative secondary data. This will enhance the analytic rigour and credibility of the products.
123. Following accepted practice, IOE aims to validate all project completion reports (PCRs) and undertake 10 PPEs of selected projects each year.<sup>11</sup> The number of PPEs has increased from eight per year to ten per year in order to enhance the availability of independent and field-based evaluation evidence on IFAD's operational performance. These data will also: serve as critical inputs for the ARRI, CLEs and CSPEs; allow IOE to cover more IFAD operations across all regions; and further strengthen IFAD's accountability framework. This is fundamental given that the majority of IFAD's development resources are channelled through investment projects and programmes to developing member countries.
124. Furthermore, IOE is strengthening the evidence base and analytic rigour of PPEs by: increasing collaboration with beneficiaries and other in-country stakeholders; and ensuring that evaluation teams have the opportunity to conduct more structured participatory rural appraisals and a wider range of site visits in remote rural areas.
125. As stated in the IFAD Evaluation Policy, IOE will prepare the 2017 edition of the ARRI, its annual flagship report. As in previous years, the ARRI will include a detailed analysis and a dedicated chapter on one major learning theme. IOE proposed the topic of financial management and fiduciary responsibilities as the 2017 learning theme to the Board in consultation with IFAD Management.
126. IOE will support selected recipient countries in evaluation capacity development (ECD) activities linked to the CLEAR Initiative. IFAD is planning to conduct this initiative with the Centers for Learning on Evaluation and Results (CLEAR), with the aim of strengthening the capacity of staff at the project level and others in-country and sharpening data collection systems and instruments. ECD activities by IOE will complement these efforts by concentrating on ECD at the institutional level, thus supporting institutions through greater capacity for the evaluation of public policies and programmes dedicated to rural poverty reduction.
127. There will be an increased focus on strengthening partnerships with the other Rome-based agencies (RBAs), especially in joint evaluations. In this regard, the Director, IOE, has reached out to the directors of the other RBA evaluation offices to explore opportunities for collaboration in countries in which IOE is undertaking evaluations in 2017.
128. Greater attention will be devoted to the sharing of knowledge of innovative evaluation practices. In particular, IOE is planning to organize a conference on the use of IT in the conduct of evaluations in order to share experiences and learn from other organizations and practitioners on how technological advances can improve the design, conduct and quality of evaluations.
129. Finally, the Director, IOE, has been elected chairperson of the Evaluation Cooperation Group (ECG) of the multilateral development banks, as well as vice-chair of the United Nations Evaluation Group (UNEG) responsible for strategic

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<sup>11</sup> Such evaluations were previously called project performance assessments (PPAs). The name was changed by IOE to project performance evaluations (PPEs) since the latter term more appropriately captures the objectives and methodological approach followed.

objective 2, "use of evaluations". These functions will give IFAD an opportunity to highlight to partners its critical role in international development cooperation – especially the important work of IOE in enhancing the development effectiveness of the organization.

130. IOE will present all CLEs, the ARRI and selected CSPEs to both the Evaluation Committee and the Executive Board. It will present impact evaluations and ESRs to the Evaluation Committee, and to the Executive Board upon request. IOE will prepare written comments on new country strategic opportunities programmes (COSOPs) that have been preceded by CSPEs for consideration by the Executive Board. In line with the IFAD Evaluation Policy, it will provide written comments on new corporate policies and strategies that have been informed by major CLEs. IOE will also ensure timely, customized dissemination and outreach of results and lessons to key audiences. Table 2 summarizes the evaluation activities planned by IOE in 2017.

Table 2  
Evaluation activities planned by IOE for 2017

<i>Strategic objectives (SOs)</i>	<i>Divisional management results (DMRs)</i>	<i>Outputs</i>
<b>SO1: Generate evidence through independent evaluations on IFAD's performance and results to promote accountability</b>	DMR 1: Corporate policies and processes are improved through independent evaluations	<ul style="list-style-type: none"> <li>• CLE on IFAD's financial architecture</li> <li>• 15<sup>th</sup> ARRI and learning theme on financial management and fiduciary responsibilities</li> <li>• Comments on the RIDE, the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), selected COSOPs and corporate policies/strategies, and on new IFAD strategies and policies</li> </ul>
	DMR 2: Country strategies/COSOPs are enhanced through country-level evaluations DMR 3: Systemic issues and knowledge gaps in IFAD are addressed	<ul style="list-style-type: none"> <li>• CSPEs: Angola, Cambodia, Cameroon, Georgia and Peru</li> <li>• ESRs on: Fishery, aquaculture and coastal area development; and Partnership-building at the country level, including with the private sector</li> </ul>
	DMR 4: IFAD-supported operations are improved through independent project evaluations	<ul style="list-style-type: none"> <li>• PPEs</li> <li>• All PCRs available in the year validated</li> </ul>
<b>SO2: Promote evaluation-based learning and an enhanced results culture for better development effectiveness</b>	DMR 5: The Evaluation Manual is implemented and new evaluation methods and products are piloted	<ul style="list-style-type: none"> <li>• Project impact evaluation completed and a new impact evaluation started</li> <li>• Contribution to in-house and external debate on impact evaluations</li> </ul>
	DMR 6: Awareness and knowledge of evaluation-based lessons and quality of products are enhanced and increased	<ul style="list-style-type: none"> <li>• One learning theme in the context of the 2017 ARRI (topic to be determined)</li> <li>• In-country learning workshops on the main results from CSPEs to provide building blocks for the preparation of new COSOPs; learning events in IFAD from other evaluations (e.g. CLEs, ESRs and ARRI) to share lessons and good practices</li> <li>• Partnerships including ECG, United Nations Evaluation Group (UNEG), and RBAs</li> <li>• Organization of a conference on IT applied to evaluations</li> </ul>
	DMR 7: Evaluation capacity development (ECD) in partner countries	<ul style="list-style-type: none"> <li>• ECD engaged in thorough seminars and workshops on evaluation methodology and processes in the context of: (i) regular evaluations (e.g. ongoing CSPEs and PPEs); and (ii) upon request in countries where IOE is not undertaking evaluations</li> <li>• Extension of statement of intent with China on ECD</li> </ul>
<b>SO1 and SO2*</b>	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured	<ul style="list-style-type: none"> <li>• Preparation of the IOE work programme and budget; participation in all sessions of the Evaluation Committee, Executive Board and Governing Council, as well as selected Audit Committee meetings; participation in internal platforms (Operational Strategy and Policy Guidance Committee, Operations Management Committee, IFAD Management teams, country programme management teams, selected learning events, etc.)</li> </ul>

\* A number of outputs contribute to DMR 8, which cuts across both SOs.

## V. 2016 resource envelope

### A. Staff resources

131. IOE's staff requirements are based on a comprehensive annual strategic workforce planning exercise. As anticipated in the preview document, in 2017 IOE will require an additional P-4 senior evaluation officer position. The rationale for the additional officer is provided in the paragraphs below.
132. From May 2014 to May 2016, IOE benefited from the secondment at no cost of a P-5 SDC staff member, who undertook CSPEs and PPEs. The secondment was

crucial for the timely delivery of the work programme given that the streamlining of evaluation processes in line with the new Evaluation Manual shortened the duration of major evaluations (especially CPEs and CLEs) from 18 to 12 months. As mentioned in paragraph 31, the number of PPEs also increased from eight per year to ten per year and was accompanied by the increased insourcing of evaluation work. These changes are in line with the new Evaluation Manual's focus on improving quality, enhancing learning and reducing unit costs. The increased insourcing is reflected in reduced consultancy fees, allowances and travel as discussed in section V(B) (below), which contains the budget proposal.

133. Increased insourcing of both high-level evaluations such as CLEs and the ARRI, and project-level evaluations including PPEs and project completion report validations (PCRVs) entails a greater level of effort for IOE staff than in previous years. Therefore, the recruitment of a senior-level staff member will be critical to support the undertaking of major evaluations (e.g. CSPes) and to ensure that an increasing number of PPEs and PCRVs can be produced internally from 2017 onwards. A P-4-level staff member will also provide appropriate guidance to junior staff at the P-2 and P-3 levels.
134. In addition, since 2009 IOE has not requested any new positions in either the Professional and General Service staff categories. It is worth underlining that the IOE Professional to General Service staff ratio remains at approximately 1 to 0.46, which is among the best for any division in IFAD. The modified staffing levels for 2017 can be seen in annex XV.

## B. Budget proposal

135. This section outlines IOE budget requirements. IOE's budget requirements are detailed below by type of activity, category of expenditure and SO. Tables 3-6 include both the 2016 approved budget and the proposed budget for 2017 to facilitate a comparison between the two years. Table 7 contains the IOE gender-sensitive budget for 2017, which identifies the distribution of the budget for gender-related activities.
136. Assumptions. As in the past, the parameters used in developing the proposed 2016 budget are the same as those used by IFAD Management in developing the administrative budget for the same year. The assumptions used in making this final budget proposal are: (i) there is no increase in the salaries of Professional and General Service staff anticipated for 2017, and therefore the same 2016 standard costs adjusted for the euro/dollar exchange rate have been used; (ii) inflation will be absorbed to the greatest extent possible; and (iii) an exchange rate of US\$1 = EUR 0.897 will be used.
137. With regard to the latter, the weakening of the euro against the United States dollar from US\$1 = EUR 0.877 to US\$1 = EUR 0.897 resulted in a slight reduction in staff costs.
138. Between now and year-end, IOE will liaise with IFAD's Office of Budget and Organizational Development to ensure that the division continues to use the same budget parameters followed by Management in developing its administrative budget for next year. Should there be any changes to the IFAD budget parameters for 2017, IOE will also apply them and present a revised budget to the Audit Committee and the Executive Board before the end of 2016.
139. Budget by type of activity. As shown in table 3, US\$465,000 of the total non-staff costs of US\$2.490 million – or 18.7 per cent of non-staff costs – is allocated to higher-level evaluations (i.e. the ARRI and CLEs). These evaluations have the potential to result in far-reaching and systemic changes at the institutional level. The increase in the CLE budget compared to the 2016 budget is a result of the unique nature of the CLE on IFAD's financial architecture. IOE will need to mobilize high-level technical experts in finance and resource mobilization,

who normally command significantly higher market rates than the consultants that IOE mobilizes for other types of CLEs.

Table 3  
Proposed budget for 2017 (by type of activity)\*

Type of activity	Approved 2016 budget (US\$)	Absolute number 2016	Level of effort 2016	Proposed 2017 budget (US\$)	Absolute number 2017	Level of effort 2017
<b>Non-staff costs</b>						
ARRI	100 000	1	1	80 000	1	1
CLEs	310 000	2	1	385 000	2	1
CSPEs	1 090 000	7	5.6	1 000 000	7	5.2
Evaluation syntheses	140 000	3	3	110 000	2	2
PPEs	315 000	10	10	315 000	10	10
PCRVs	50 000	30	30	30 000	30	30
Impact evaluations	200 000	2	1	200 000	2	1
Knowledge-sharing, communication, evaluation outreach and partnership activities	195 000	-	-	225 000		
ECD, training and other costs	141 520	-	-	145 861		
<b>Subtotal non-staff costs</b>	<b>2 541 520</b>			<b>2 490 861</b>		
<b>Staff costs</b>	<b>3 127 899</b>			<b>3 235 056</b>		
<b>Total</b>	<b>5 669 419</b>			<b>5 725 917</b>		

Note: A more detailed explanation of the breakdown is provided in annex XVI, table 2.

\* Based on experience and historical data: 140 person (staff) days are allocated for conducting a CLE, 130 days for a CSPE, 40 days for ESRs, 80 days for impact evaluations, 40 days for PPEs and 11 days for PCRVs. These figures are used to estimate the level of effort by type of activity shown in table 3.

140. The decrease in the unit cost of the ARRI, CSPEs and PCRVs can be attributed to the increased insourcing of these evaluations – to which the recruitment of a P-4 staff member strongly contributes. Table 3 shows that in 2017, the absolute number of CSPEs will remain the same as in 2016 while the total cost will be reduced by US\$90,000. The level of effort is slightly lower than in 2016 because the national round-table workshops for two of the five CSPEs planned for 2017 will be organized in early 2018.
141. Finally, slight increases in partnership, communication, dissemination and outreach activities aim to strengthen the evaluation learning and feedback loop, build evaluation capacity at the national level and foster joint activities with other RBAs and development organizations (such as UNEG and the ECG of the multilateral development banks). In 2017, these costs will also be driven by the Director of IOE's position as chairperson of the ECG. This will entail participation in meetings, seminars and high-level events.
142. Table 4 shows the effect on budget allocations of IOE's increased insourcing for each evaluation activity. It also shows the level of effort of IOE staff and consultants, travel, fees and allowances before (2014-2015) and after the introduction of the second edition of the Evaluation Manual (2016-2017).



Table 4  
**Insourcing of evaluation activities**

Type of activity	Before the introduction of the second edition of the Evaluation Manual						After the introduction of the second edition of the Evaluation Manual					
	Approved 2014 budget	Absolute number 2014	Level of effort 2014	Approved 2015 budget	Absolute number 2015	Level of effort 2015	Approved 2016 budget	Absolute number 2016	Level of effort 2016	Proposed 2017 budget	Absolute number 2017	Level of effort 2017
ARRI	150 000	1	1	100 000	1	1	100 000	1	1	80 000	1	1
CPEs/ CSPEs	760 000	7	3.3	1 035 000	8	4.5	1 090 000	7	5.6	1 000 000	7	5.2
PPAs/PPEs	230 000	8	8	230 000	8	8	315 000	10	10	315 000	10	10
PCRVs	50 000	30	30	50 000	30	30	50 000	30	30	30 000	30	30
Consultant fees	1 465 000			1 485 000			1 495 000			1 400 000		
Consultant travel allowances	395 000			410 000			440 000			380 000		

143. Budget by category of expenditure. In table 5, the proposed non-staff budget is allocated by category of expenditure. Of the non-staff budget, 56 per cent is allocated to consultancy fees to support evaluation work; this is lower than the 60 per cent of non-staff costs allocated in 2016. With regard to consultants, IOE is continuing its efforts to ensure gender balance and regional diversity across all evaluation types. Preference is given to hiring consultants from the same country or region in which an evaluation is planned, especially for PPEs, CSPEs and country visits undertaken in the context of CLEs and ESRs.

Table 5  
**Proposed budget for 2017 (by category of expenditure)**  
 (United States dollars)

Category of expenditure	Approved 2016 budget	Proposed 2017 budget
Staff travel	376 000	440 000
Consultant fees	1 495 000	1 400 000
Consultant travel and allowances	440 000	380 000
In-country CSPE learning events	45 000	45 000
Evaluation outreach, staff training and other costs	185 520	225 861
<b>Total non-staff costs</b>	<b>2 541 520</b>	<b>2 490 861</b>
<b>Staff costs</b>	<b>3 127 889</b>	<b>3 235 056</b>
<b>Total</b>	<b>5 669 419</b>	<b>5 725 917</b>

144. The increase in staff travel reflects: (i) the cost of travel for the new staff member; (ii) the effect of the insourcing evaluation activities, for which IOE staff will spend more time in the field; and (iii) the cost of travel for activities undertaken by the chairperson of the ECG. There is a substantial reduction in consultant fees, allowances and travel. As in the past, a small allocation is proposed for staff training, which is essential for continuous professional development. Higher total staff costs are a result of the recruitment of a P-4 staff member.
145. Budget by strategic objective. Table 6 shows the proposed IOE budget allocation for 2017, including both staff and non-staff costs, against IOE's SOs. Further detail, including the allocation to each divisional management result (DMR), can be found in annex XVI, table 3.
146. SO1 receives a much greater allocation than the other SO2 since a larger part of IOE's consultancy resources are allocated to activities that contribute to this objective (such as CLEs, CSPEs and PPEs). However, many of the activities undertaken in line with this objective also contribute to SO2. This includes SO1 activities that promote evaluation-based learning and an enhanced institutional-

results culture. For example, in-country workshops at the end of CSPEs – which are budgeted under SO1 – provide a unique opportunity to exchange views on lessons learned and good practices with policy and decision makers, IFAD operations staff and other stakeholders.

Table 6  
Proposed budget allocation (by SO)

<i>Strategic objective</i>	<i>Approved 2016 budget</i>		<i>Proposed 2017 budget</i>	
	<i>Amount (US\$)</i>	<i>%</i>	<i>Amount (US\$)</i>	<i>%</i>
<b>SO1:</b> Generate evidence through independent evaluations of IFAD's performance and results to promote accountability	4 057 049	71	4 208 638	70
<b>SO2:</b> Promote evaluation-based learning and enhanced results culture for better development effectiveness	1 322 250	24	1 464 013	25
<b>SO1 and SO2</b>	290 120	5	308 748	5
<b>Total</b>	<b>5 669 419</b>	<b>100</b>	<b>5 725 917</b>	<b>100</b>

147. Gender budget. The methodology followed by IOE in constructing its gender budget entails determining the proportion of staff and non-staff costs devoted to analysing and reporting on gender issues in IOE evaluations. In this regard, it is important to recall that IOE has a dedicated criterion on gender equality and women's empowerment that is applied in all ARRIs, CSPEs, PPEs, PCRVs and impact evaluations. Additional attention is being devoted to gender issues in other evaluation products such as CLEs and ESRs. Table 7 shows that 6.3 per cent of the total proposed IOE budget for 2017 is directly allocated to examining gender issues, which is higher than the 5.8 per cent calculated in the 2016 budget.

Table 7  
IOE 2017 gender-sensitive budget

<i>Type of activity</i>	<i>Proposed 2017 budget (US\$)</i>	<i>Gender component (percentage)</i>	<i>US\$</i>
<b>Non-staff costs</b>			
ARRI	80 000	10	8 000
CLEs	385 000	5	15 500
CSPEs	1 000 000	10	100 000
PCRVs	30 000	5	1 500
PPEs	315 000	7	22 050
Impact evaluations	200 000	7	14 000
Evaluation syntheses	110 000	5	5 500
Communication, evaluation outreach, knowledge-sharing and partnership activities	225 340		
ECD, training and other costs	145 521	5	7 276
<b>Subtotal non-staff costs</b>	<b>2 490 861</b>	<b>7</b>	<b>173 827</b>
<b>Staff costs</b>			
Gender focal point	165 279	20	33 055
Alternate gender focal point	105 552	10	10 555
All evaluation officers	2 934 225	5	146 711
<b>Subtotal staff costs</b>	<b>3 235 056</b>	<b>5.8</b>	<b>190 391</b>
<b>Total</b>	<b>5 725 917</b>	<b>6.3</b>	<b>364 218</b>

148. Budget proposal. The proposed 2017 budget is US\$5.73 million, or a nominal 0.9 per cent increase against the 2016 approved budget of US\$5.67 million. The 0.9 per cent nominal increase comprises a 0.3 per cent real

increase, which can be attributed to higher staff costs, and a 0.6 per cent price increase.

149. It is important to underline that the proposed 2017 IOE budget is 0.39 per cent of IFAD's expected programme of loans and grants for next year,<sup>12</sup> which is below the 0.6 per cent in 2015 and well below the IOE budget cap of 0.9 per cent adopted by the Executive Board.<sup>13</sup> An overview of IOE's proposed budget, including historical trends since 2013, is shown in annex XVI, table 1.

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<sup>12</sup> It is anticipated that IFAD will plan to commit US\$1.5 billion in new loans and grants in 2017 in line with IFAD10 commitments.

<sup>13</sup> This decision was made by the Executive Board in December 2008.

## Part three – Heavily Indebted Poor Countries Debt Initiative progress report for 2016

### I. Introduction

150. The objective of this progress report for 2016 is to:

- Inform the Executive Board of the status of implementation of the Heavily Indebted Poor Countries (HIPC) Debt Initiative and of IFAD's participation in the Initiative; and
- Seek Executive Board approval for submitting the substance of this progress report to the forthcoming session of the Governing Council for information.

### II. Progress in HIPC Debt Initiative implementation

151. Substantial progress has been made in the implementation of HIPC debt relief since the Initiative's inception. Nearly 92 per cent of eligible countries (35 out of 38) have reached the decision point as well as completion point and qualified for HIPC assistance. Three countries – Eritrea, Somalia and Sudan - are still at the pre-decision point stage and have yet to start the process of qualifying for debt relief under the Initiative.

### III. Total cost of the HIPC Debt Initiative to IFAD

152. The total net present value (NPV) cost of the Fund's participation in the overall HIPC Debt Initiative<sup>14</sup> is currently estimated at SDR 304.5 million (equivalent to approximately US\$426.0 million), which corresponds to an approximate nominal cost of SDR 462.4 million (about US\$647.0 million).<sup>15</sup> The current cost estimates may increase if there are any further delays in the remaining countries reaching decision and completion points, changes in economic conditions or continuing low discount rates. Total debt relief payments are estimated at US\$21.0 million for 2016.

### IV. IFAD commitments to date

153. To date, IFAD has committed the required debt relief to all 35 HIPCs having reached the decision point. IFAD's total commitments so far amount to SDR 247.1 million (approximately US\$345.8 million) in NPV terms, which amounts to SDR 376.4 million (approximately US\$526.6 million) of debt service relief in nominal terms.

### V. Debt relief provided

154. As at 30 September 2016, IFAD has provided US\$477.9 million in debt relief to the 35 completion point countries.

<sup>14</sup> IFAD participation comprises all eligible HIPC Debt Initiative countries, including pre-decision point countries that have confirmed their participation in the Initiative.

<sup>15</sup> Base estimates at exchange rates prevailing on 30 September 2016.

**IFAD Member States participating in the HIPC Debt Initiative, by stage**

<i>Completion point countries (35 in total)</i>	<i>Decision point countries</i>	<i>Pre-decision point countries (3 in total)</i>
Benin	-	Eritrea
Bolivia (Plurinational State of)	-	Somalia
Burkina Faso	-	Sudan
Burundi	-	
Cameroon	-	
Central African Republic	-	
Chad	-	
Comoros	-	
Congo	-	
Côte d'Ivoire	-	
Democratic Republic of the Congo	-	
Ethiopia	-	
Gambia (The)	-	
Ghana	-	
Guinea	-	
Guinea-Bissau	-	
Guyana	-	
Haiti	-	
Honduras	-	
Liberia	-	
Madagascar	-	
Malawi	-	
Mali	-	
Mauritania	-	
Mozambique	-	
Nicaragua	-	
Niger	-	
Rwanda	-	
Sao Tome and Principe	-	
Senegal	-	
Sierra Leone	-	
Togo	-	
Uganda	-	
United Republic of Tanzania	-	
Zambia	-	

**VI. Financing debt relief**

155. IFAD funds its participation in the HIPC Debt Initiative with external contributions (either paid directly to IFAD or transferred through the HIPC Trust Fund administered by the World Bank) and its own resources. External contributions (paid) amount to about US\$287.1 million (57.4 per cent), and contributions from IFAD's own resources amount to about US\$204.7 million (40.9 per cent) for transfers made from 1998 to 2016. The remainder was covered by investment income from the IFAD HIPC Trust Fund balance; as at end-September 2016, the interest balance in IFAD's HIPC Trust Fund stood at US\$8.0 million.
156. To mitigate the impact of debt relief on resources available for commitment to new loans and grants, Member States have supported IFAD's formal access to the HIPC Trust Fund administered by the World Bank. This was agreed at the HIPC information and funding meeting held on 19 November 2006 in Washington, D.C., recognizing that it would add to the overall financing requirements of the HIPC Trust Fund. The first transfer from the HIPC Trust Fund (US\$104.1 million), following signature of the grant agreement, was received by IFAD in October 2007. Further grant agreements followed, bringing the total received to date to US\$215.6 million.
157. While giving priority to ensuring that the HIPC Trust Fund is adequately financed, Management will also continue to encourage IFAD's Member States to provide the Fund with additional resources directly to help finance its participation in the HIPC Initiative.

## Part four – Progress report on implementation of the performance-based allocation system

158. In December 2015 Management presented to the Executive Board the performance-based allocation system (PBAS) allocations for the Tenth Replenishment of IFAD's Resources (IFAD10) period (2016-2018). A total of 102 countries were included in the allocations' calculation. China and India received the maximum allocation, equivalent to 5 per cent of the funds allocated through the PBAS. Seven countries received minimum allocations (Comoros, Grenada, Montenegro, Namibia, Seychelles, Tonga and Uruguay). Eight countries were capped (Afghanistan, Democratic Republic of the Congo, Islamic Republic of Iran, Democratic People's Republic of Korea, Lao People's Democratic Republic, Malaysia, Nepal and Nigeria), and remain so in 2017. As per PBAS methodology, the 2016 allocations were fixed, while the allocations for 2017 and 2018 were tentative.
159. In line with the commitment made in response to the corporate-level evaluation (CLE) on the PBAS to expand the reporting made to the Board on the PBAS management process, this progress report devotes special attention to the lessons learned by Management in testing the early implementation of some of the CLE recommendations.
160. In this regard, for the first time Management has tested redistributing unused allocated resources that were less likely to translate into operations early in the IFAD10 cycle using the current PBAS methodology. While reallocating resources earlier in the cycle enables better forward planning,<sup>16</sup> the existing methodology has proved unsuitable given that it was conceived for last year redistributions when most of the allocations had already been invested. Undertaking early reallocations means that countries that are unlikely to absorb their allocations are excluded from the allocations exercise in the second year of the cycle. As these countries are excluded from the calculations, the overall country scores distribution among countries changes dramatically, compared with the previous year. This is due to the multiplicative nature of the PBAS formula that determines allocations based on ratios of ratios.
161. This, combined with the usual allocation variations that derive from the updating of the individual variable of the PBAS formula every year, leads to significantly higher allocation volatility than in the past. In addition, it unpredictably affects both the regional distribution of resources and the percentage of lending on highly concessional terms.
162. Moreover, the resulting allocations disrupt the IFAD10 pipeline schedule plan which is expected to be delivered over three years – 25 per cent/50 per cent/25 per cent per year respectively – given that a significant number of operations that are currently being designed or are fully designed would significantly need to adjust their overall amount. As a result, Management has: (i) calculated second-year allocations based on the standard methodology as customary; and (ii) postponed the early reallocation exercise to the first quarter of 2017 to better align it with pipeline planning and management for IFAD10.
163. Management has also tested a second innovation, the inclusion in the second year of countries that were not in the original list of active countries presented to the Executive Board in 2015. This adds an element of flexibility to previous practice as per the current PBAS methodology, whereby a country that was not included in the allocation calculations in the first year could only be included later in the cycle if

<sup>16</sup> CLE on IFAD's PBAS, recommendation 3: "... Reallocations should be done earlier in any three-year allocation cycle. And, finally, efforts are needed to ensure a better spread of total annual commitments across the three years of any allocation cycle. This will require tightening forward planning processes, in particular by ensuring better linkages among project pipeline development, country allocations and administrative budget earmarking."

another country from the same region and with a similar country score was excluded. The flexibility provided by second-year inclusion is also a valuable tool to prevent inflating the number of active countries in the first year, and therefore a good incentive for better country selectivity and pipeline planning

164. Taking these lessons into account, Management is currently adjusting PBAS methodology to counter any unintended results, in consultation with the Executive Board's PBAS Working Group and other development partners. Management is cognisant of the need to prevent excessive allocation volatility, and remains committed to enhance the PBAS in a way that allows greater operations planning.

## Part five – Recommendations

165. In accordance with article 7, section 2(b), of the Agreement Establishing IFAD, it is recommended that the Executive Board:
- Approve the programme of work for 2017 at a level of SDR 1,079 million (US\$1,500 million), which comprises a lending programme of SDR 1,041 million (US\$ 1,447 million) and a gross grant programme of US\$53 million. It is proposed that the programme of work be approved at this level for planning purposes and adjusted as needed during 2017 in accordance with available resources.
166. In accordance with the Governing Council resolution 181/XXXVII, it is recommended that the Executive Board:
- Approve the appropriation for the special expenditure budget for the IFAD11 Replenishment exercise in the amount of US\$1.04 million.
167. In accordance with article 6, section 10, of the Agreement Establishing IFAD and regulation VI of the Financial Regulations of IFAD, it is recommended that the Executive Board:
- Transmit to the fortieth session of the Governing Council the administrative budget comprised of, first, the regular budget of IFAD for 2017 in the amount of US\$149.42 million; second, the capital budget of IFAD for 2017 in the amount of US\$2.4 million; and third, the budget of the Independent Office of Evaluation of IFAD for 2017 in the amount of US\$5.73 million.
168. It is recommended that the Executive Board submit the substance of the progress report on IFAD's participation in the Heavily Indebted Poor Countries Debt Initiative to the fortieth session of the Governing Council for information.
169. It is recommended that the Executive Board submit a progress report on implementation of the performance-based allocation system to the fortieth session of the Governing Council in 2017, based on the report provided in part four of the present document and its addendum containing the 2016 country scores and 2016-2018 allocations.



## Draft resolution .../XXXX

Administrative budget comprising the regular and capital budgets of IFAD for 2017 and the budget of the Independent Office of Evaluation of IFAD for 2017

The Governing Council of IFAD,

Bearing in mind article 6.10 of the Agreement Establishing IFAD and regulation VI of the Financial Regulations of IFAD;

Noting that, at its 119<sup>th</sup> session, the Executive Board reviewed and agreed upon a programme of work of IFAD for 2017 at a level of SDR 1,079 million (US\$1,500 million), which comprises a lending programme of SDR 1,041 million (US\$1,447 million) and a gross grant programme of US\$53 million;

Further noting that, at its 119<sup>th</sup> session, the Executive Board reviewed and approved the appropriation for the special expenditure budget for the IFAD11 Replenishment exercise in the amount of US\$1.04 million;

Having considered the review of the 119<sup>th</sup> session of the Executive Board concerning the proposed regular and capital budgets of IFAD for 2017 and the budget of the Independent Office of Evaluation of IFAD for 2017;

Approves the administrative budget, comprising: first, the regular budget of IFAD for 2017 in the amount of US\$149.42 million; second, the capital budget of IFAD for 2017 in the amount of US\$2.4 million; and third, the budget of the Independent Office of Evaluation of IFAD for 2017 in the amount of US\$5.73 million, as set forth in document GC 40/XX, determined on the basis of a rate of exchange of EUR 0.897:US\$1.00; and

Determines that, in the event the average value of the United States dollar in 2017 should change against the euro rate of exchange used to calculate the budget, the total United States dollar equivalent of the euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2017 bears to the budget exchange rate.

## CLEE actions and proposals

Reference	CLEE recommendations	Detail of proposed action	Benefits	Approved costs		Forecast capital and one-time expenditures		Remarks/status
				One-time costs	Capital costs	Up to 2016	2017	
1	Expand IFAD Country Offices (ICOs), as warranted, and strengthen their capacity by recruiting country programme officers and assistants.	Hire additional country programme officers and country programme assistants.	<ul style="list-style-type: none"> <li>Better on-the-ground support and enhanced effectiveness.</li> <li>ICO costs have increased in the period 2014-2017. In addition, 8.5 FTEs and 5.5 FTEs have been added for ICO staffing in 2016 and 2017, respectively. The effects of increased country presence are being experienced in the quality of the portfolio in terms of effectiveness.</li> </ul>					Cost implications of 5.5 FTEs and ICO administrative costs included in regular budget.
2	Rationalize the use of consultants by recruiting additional specialist staff in the Policy and Technical Advisory Division to increase in-house technical capacity for providing field support during project design and supervision.	Convert consultants into staff positions.	<ul style="list-style-type: none"> <li>Better quality of technical support and retention of institutional knowledge, although there will be a short-term increase in recurrent costs.</li> <li>All new specialist staff are on-board, resulting in in-house capacity-building.</li> </ul>					Incremental full-year effect of new specialist staff fully included in 2015 and 2016.
3	Develop a more robust database, with a management dashboard showing the status of the programme of work as a tool for workload analysis.	Enable Management to retrieve up-to-date information on programme of loans and grants (PoLG) from a single source.	<ul style="list-style-type: none"> <li>More effective distribution of workload.</li> <li>Anticipated efficiency gain in staff costs over the medium term as data availability and processing become more automated.</li> <li>Cost avoidance rather than efficiency gain.</li> </ul>		300 000	100 000	200 000	Project for implementing a more robust database including a logical framework is ongoing and expected to be completed in 2017.
4	Develop and implement more responsive instruments for middle-income countries (MICs).	Hire/contract additional expertise to identify instruments to address requirements of MICs.	<ul style="list-style-type: none"> <li>More responsive engagement with MICs, possibly leading to an increased programme of work in these countries.</li> </ul>	200 000				Project yet to be identified. These funds may be reprogrammed for mainstreaming nutrition, gender, and other thematic areas.
5	Implement the knowledge management (KM) framework and plan, including incentives for staff participation.	Initiate and implement KM framework and plan (one-time consultant cost).	<ul style="list-style-type: none"> <li>Strengthened IFAD capabilities to embed KM in all aspects of its operations.</li> <li>In the medium term, this is expected to result in more efficient design and implementation of IFAD operations, leading to higher efficiency in the programme of work.</li> </ul>	100 000				Project yet to be identified. These funds may be reprogrammed for mainstreaming nutrition, gender, and other thematic areas.

Reference	CLEE recommendations	Detail of proposed action	Benefits	Approved costs		Forecast capital and one-time expenditures		Remarks/status
				One-time costs	Capital costs	Up to 2016	2017	
6	Review and update IFAD's Results-based country strategic opportunities programme (RB- COSOP) guidelines, including the criteria for deciding when an RB- COSOP is required, e.g. in small country programmes.	Hire/contract additional expertise to revise COSOP guidelines as recommended by CLEE.	<ul style="list-style-type: none"> <li>Strengthened RB-COSOPs as a tool for policy dialogue and alignment with country strategies – essential for scaling up. In the medium term, this can be expected to result in more efficient design, implementation and scaling up of IFAD operations – leading to higher institutional efficiency.</li> </ul>	100 000		65 000		Completed, using internal resources; will be reprogrammed.
7	Revise the Quality Assurance (QA) process; early engagement of staff.	Change QA process to be engaged at an earlier stage of project development (consultancy costs).	<ul style="list-style-type: none"> <li>Better design at entry for consideration by the Operational Strategy and Policy Guidance Committee (OSC), quality improvement and more efficient implementation of projects.</li> <li>Expected lower costs in project implementation in the medium term.</li> </ul>					Completed in 2014.
8	Intensify staff training programmes in project supervision, financial management, etc.	Train country programme manager, ICO and financial management staff.	<ul style="list-style-type: none"> <li>Better skilled workforce and improved programme delivery.</li> <li>Additional training programmes have been put in place and improvement in effectiveness is anticipated.</li> </ul>					Ongoing – no incremental recurrent costs.
9	Prepare a review of IFAD's country presence policy and strategy and submit it for Board approval.	Decentralize ICO administrative support services for existing and future ICO sites (initial cost).	<ul style="list-style-type: none"> <li>Strengthened support in the field and work ongoing to upgrade and establish offices. 11 offices in 2014 and 2015; 5 more in 2016.</li> <li>Improvement in IFAD's operational effectiveness is expected owing to increased country presence, but additional costs will be incurred.</li> </ul>	1 500 000		800 000	400 000	Ongoing – incremental recurrent costs included in regular budget.
10	Review and change key business processes to enhance efficiency.	Review IFAD's business processes.	<ul style="list-style-type: none"> <li>Streamlined process resulting in efficiency gains in the medium term, as processes that are staff-time intensive become more automated and less costly.</li> </ul>	200 000		60 000	60 000	Several focused reviews undertaken to improve processes in administrative areas. Funds to be used for organizational streamlining in 2016.
11	Integrate the core IT platforms (PeopleSoft, Agile open source and Microsoft).	Pursue system integration (consultancy support for IT development).	<ul style="list-style-type: none"> <li>Improved access to information to strengthen the management decision-making process.</li> <li>More efficient use of staff resources anticipated, resulting in cost avoidance.</li> </ul>		200 000	138 000	-	SharePoint upgrade completed. No further integration with other corporate applications has taken place to-date and balance may be reprogrammed.

Reference	CLEE recommendations	Detail of proposed action	Benefits	Approved costs		Forecast capital and one-time expenditures		Remarks/status
				One-time costs	Capital costs	Up to 2016	2017	
12	Upgrade IFAD's software systems to enable more effective and efficient administrative support of ICOs.	Implement IT environment to allow full integration of ICOs within PeopleSoft.	<ul style="list-style-type: none"> <li>Support to ICOs, enabling more efficient and effective delivery of IFAD programmes as part of decentralization.</li> <li>Cost avoidance using an integrated e-recruitment system for headquarters and ICOs.</li> </ul>		760 000	500 000	260 000	Funding was used to develop an e-recruitment system to facilitate recruitment at both ICOs and headquarters. Project to be identified for the balance of funds.
13	Implement ICT systems to support IFAD's operational M&E processes.	Implement M&E systems.	<ul style="list-style-type: none"> <li>Better IT support for operational area and improved delivery, enabling more efficient and effective delivery of IFAD programmes.</li> <li>Qualitative improvements with no monetary benefits anticipated.</li> </ul>		700 000	200 000	500 000	Project has two components to integrate: financial (completed) and operational (completion 2017) monitoring capability to provide more efficient and effective delivery of IFAD programmes.
14	Implement mobile technologies to allow access to IFAD systems on the move via a range of devices, including smartphones and tablets.	Implement mobile technologies.	<ul style="list-style-type: none"> <li>Staff access to information irrespective of location or IT platform.</li> <li>Cost avoidance in price increases.</li> </ul>		100 000	100 000		Platform for mobile applications completed.
15	Develop business intelligence solutions to provide relevant management information to support business decisions.	Implement business intelligence solutions.	<ul style="list-style-type: none"> <li>More efficient use of staff time, enabling its allocation to programme delivery.</li> <li>Faster and more efficient decision-making, with possible efficiency gains in the medium term.</li> </ul>		375 000	100 000	150 000	Initial phase (i.e. upgrade) completed. Current ongoing project focuses on improving reporting capabilities.
16	Introduce GRIPS, retire Project and Portfolio Management System (PPMS) and reconfigure existing systems that rely on PPMS.	Introduce GRIPS and reconfigure existing systems.	<ul style="list-style-type: none"> <li>Faster and more efficient decision-making to avoid losses in staff time.</li> </ul>		375 000	375 000		Project completed.
<b>10% project management costs</b>					281 000			
<b>Total capital budget</b>					<b>3 091 000</b>	<b>1 513 000</b>	<b>1 110 000</b>	
<b>Total one-time budget</b>					<b>2 100 000</b>	<b>925 000</b>	<b>460 000</b>	

## Indicative list of countries with projects in the pipeline for 2017 (including new projects and additional financing for ongoing projects)

<i>Region</i>					
<i>West and Central Africa</i>	<i>East and Southern Africa</i>	<i>Asia and the Pacific</i>	<i>Latin America and the Caribbean</i>	<i>Near East, North Africa and Europe</i>	<i>Total</i>
Burkina Faso	Angola	Afghanistan	Bolivia (Plurinational State of)	Armenia	
Cameroon (2)	Botswana	Bangladesh	Brazil (2)	Azerbaijan	
Cabo Verde	Burundi	China	Colombia	Egypt	
Chad	Eritrea	India	Dominican Republic	Georgia	
Côte d'Ivoire	Kenya	Indonesia	Grenada	Jordan	
Gabon	Madagascar	Myanmar	Guatemala	Lebanon	
Nigeria	Malawi	Nepal	Mexico	Montenegro	
Senegal	Mozambique	Pakistan (2)	Paraguay	Tajikistan	
	South Africa	Papua New Guinea		Turkey	
	Uganda	Philippines			
		Sri Lanka			
		Tonga			
		Vanuatu			
<b>9</b>	<b>10</b>	<b>14</b>	<b>9</b>	<b>9</b>	<b>51</b>

Source: Grants and Investment Projects System (GRIPS) as at 27 September 2016.

## Regular budget by cluster and department, 2016 budget versus forecast

(Millions of United States dollars)

Department	Cluster 1			Cluster 2			Cluster 3			Cluster 4			Grand total		
	2016 Budget	2016 Forecast	Change +(-)	2016 Budget	2016 Forecast	Change +(-)	2016 Budget	2016 Forecast	Change +(-)	2016 Budget	2016 Forecast	Change +(-)	2016 Budget	2016 Forecast	Change +(-)
Office of the President and Vice-President	-	-	-	0.73	0.63	(0.10)	1.46	1.48	0.02	0.27	0.26	(0.01)	2.46	2.37	(0.09)
Corporate Services Support Group	3.51	3.32	(0.19)	2.87	2.75	(0.12)	4.95	4.81	(0.14)	6.60	6.44	(0.16)	17.93	17.32	(0.61)
Partnership and Resource Mobilization Office	0.04	0.02	(0.02)	3.48	3.43	(0.05)	0.22	0.16	(0.06)	-	-	-	3.74	3.61	(0.13)
Strategy and Knowledge Department	1.81	1.62	(0.19)	2.28	2.25	(0.03)	0.94	0.89	(0.05)	0.01	-	(0.01)	5.04	4.76	(0.28)
Programme Management Department	70.07	68.84	(1.23)	2.55	2.53	(0.02)	-	-	-	-	-	-	72.62	71.37	(1.25)
Financial Operations Department	4.98	4.59	(0.39)	0.32	0.31	(0.01)	4.42	4.52	0.10	0.05	0.05	-	9.77	9.47	(0.30)
Corporate Services Department	3.34	3.04	(0.30)	-	-	-	23.35	23.05	(0.30)	0.61	0.70	0.09	27.30	26.79	(0.51)
Corporate cost centre (allocated to clusters)	2.16	1.94	(0.22)	0.16	0.15	(0.01)	0.46	0.41	(0.05)	0.09	0.08	(0.01)	2.87	2.58	(0.29)
Corporate cost centre (not allocated to clusters)	-	-	-	-	-	-	-	-	-	-	-	-	4.98	4.30	(0.68)
<b>Cluster total</b>	<b>85.91</b>	<b>83.37</b>	<b>(2.54)</b>	<b>12.39</b>	<b>12.05</b>	<b>(0.34)</b>	<b>35.80</b>	<b>35.32</b>	<b>(0.48)</b>	<b>7.63</b>	<b>7.53</b>	<b>(0.10)</b>	<b>146.71</b>	<b>142.57</b>	<b>(4.14)</b>
<b>Percentage of grand total</b>	<b>58.6</b>	<b>58.5</b>		<b>8.4</b>	<b>8.5</b>		<b>24.4</b>	<b>24.8</b>		<b>5.2</b>	<b>5.3</b>				

## Regular budget by cost category and department, 2016 budget versus 2017 proposal

(Millions of United States dollars)

Department	Staff		Consultants		Duty travel		ICT non-staff costs		Other costs		Total		Change
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	
Office of the President and Vice-President	2.13	2.13	0.01	0.01	0.20	0.19	-	-	0.12	0.13	2.46	2.46	-
Corporate Services Support Group	13.72	13.71	2.06	2.07	0.61	0.57	0.05	0.08	1.49	1.72	17.93	18.15	0.22
Partnership and Resource Mobilization Office	2.99	3.19	0.17	0.28	0.27	0.26	0.02	0.02	0.29	0.28	3.74	4.03	0.29
Strategy and Knowledge Department	3.80	4.09	0.81	1.05	0.24	0.33	-	-	0.19	0.22	5.04	5.69	0.65
Programme Management Department	39.37	39.43	18.89	18.55	7.87	8.08	-	-	6.49	6.54	72.62	72.60	(0.02)
Financial Operations Department	9.06	9.27	0.14	0.93	0.39	0.52	-	-	0.18	0.24	9.77	10.96	1.19
Corporate Services Department	13.24	13.18	1.42	1.92	0.26	0.29	5.09	5.11	7.29	7.26	27.30	27.76	0.46
Corporate cost centre (allocable)	1.60	1.30	-	-	-	-	-	-	1.27	2.12	2.87	3.42	0.55
Corporate cost centre (not allocable)	-	-	-	-	-	-	-	-	4.98	4.35	4.98	4.35	(0.63)
<b>Total</b>	<b>85.91</b>	<b>86.30</b>	<b>23.50</b>	<b>24.81</b>	<b>9.84</b>	<b>10.24</b>	<b>5.16</b>	<b>5.21</b>	<b>22.30</b>	<b>22.86</b>	<b>146.71</b>	<b>149.42</b>	<b>2.71</b>

## Indicative 2017 staff levels, regular budget only

(Full-time equivalents)<sup>a</sup>

Department <sup>b</sup>	Continuing and fixed-term staff				Total 2017
	Professional and higher	General Service	Total continuing and fixed-term staff	Locally recruited field staff	
<b>Office of the President and Vice-President (OPV)</b>	<b>6</b>	<b>5</b>	<b>11</b>		<b>11</b>
<b>Corporate Services Support Group (CSSG)</b>					
Office of the General Counsel	11	6.5	17.5	-	17.5
Office of the Secretary	14	19	33	-	33
Budget and Organizational Development Unit	4	2	6	-	6
Office of Audit and Oversight	6	2.5	8.5	-	8.5
Communications Division	16	4	20	-	20
Ethics Office	1	1	2	-	2
Quality Assurance Group	4	3	7	-	7
<b>Subtotal CSSG</b>	<b>56</b>	<b>38</b>	<b>94</b>	<b>-</b>	<b>94</b>
<b>Partnership and Resource Mobilization Office (PRM)</b>					
PRM front office	7	3	10	-	10
American Liaison Office	3	1	4	-	4
Arab and Gulf States Liaison Office	2	1	3	-	3
Asia and Pacific Liaison Office	2	1	3	-	3
<b>Subtotal PRM</b>	<b>14</b>	<b>6</b>	<b>20</b>	<b>-</b>	<b>20</b>
<b>Strategy and Knowledge Department (SKD)</b>	<b>18</b>	<b>7</b>	<b>25</b>	<b>-</b>	<b>25</b>
<b>Programme Management Department (PMD)</b>					
PMD front office	7	4	11	1	12
Policy and Technical Advisory Division	30	10	40	-	40
West and Central Africa Division	21	11	32	20	52
East and Southern Africa Division	19	11.4	30.4	16	46.4
Asia and the Pacific Division	19	11	30	25	55
Latin America and the Caribbean Division	17	6.5	23.5	3	26.5
Near East, North Africa and Europe Division	17	10	27	10	37
Environment and Climate Division	11	4	15	-	15
<b>Subtotal PMD</b>	<b>141</b>	<b>67.9</b>	<b>208.9</b>	<b>75</b>	<b>283.9</b>
<b>Financial Operations Department (FOD)</b>					
FOD front office	3	1	4	-	4
Controller's and Financial Services Division	25	18	43	3	46
Treasury Services Division	12	4	16	-	16
<b>Subtotal FOD</b>	<b>40</b>	<b>23</b>	<b>63</b>	<b>3</b>	<b>66</b>
<b>Corporate Services Department (CSD)</b>					
CSD front office	2	2	4	-	4
Human Resources Division	14	10	24	-	24
Administrative Services Division	10	26.5	36.5	-	36.5
Field Support Unit	4	4	8	-	8
Information and Communications Technology Division	16	15	31	-	31
<b>Subtotal CSD</b>	<b>46</b>	<b>57.5</b>	<b>103.5</b>	<b>-</b>	<b>103.5</b>
<b>Grand total 2017</b>	<b>321</b>	<b>204.4</b>	<b>525.4</b>	<b>78</b>	<b>603.4</b>
<b>Grand total 2016</b>	<b>318</b>	<b>204.5</b>	<b>522.5</b>	<b>72.5</b>	<b>595.0</b>

<sup>a</sup> 1 FTE = 12 months. Includes part-time staff corresponding to less than one FTE.

<sup>b</sup> Distribution of staff by department is indicative and subject to change during 2017.



## Indicative 2017 staffing by department and grade

(Full time equivalents)

Category	Grade	OPV	CSSG	PRM	SKD	PMD	FOD	CSD	2017 total	2016 total
<b>Professional and higher *</b>										
	Department head and above	3	-	-	1	1	1	1	7	6
	D-2	-	2	-	-	2	-	1	5	5
	D-1	-	4	2	2	5	3	2	18	18
	P-5	1	9	3	2	61	3	6	85	87
	P-4	1	14	3	8	33	12	14	85	83
	P-3	-	18	6	2	29	14	14	83	81
	P-2	1	9	-	3	9	5	8	35	35
	P-1	-	-	-	-	1	2	-	3	3
<b>Subtotal</b>		<b>6</b>	<b>56</b>	<b>14</b>	<b>18</b>	<b>141</b>	<b>40</b>	<b>46</b>	<b>321</b>	<b>318</b>
<b>General service*</b>										
	G-7	-	-	-	-	-	-	1	1	1
	G-6	1	11	1	2	21.4	7	15	58.4	60
	G-5	3	12	1	1	28.5	12	18	75.5	77
	G-4	1	12	4	3	13	1	13.5	47.5	47.5
	G-3	-	3	-	1	5	3	5	17	14
	G-2	-	-	-	-	-	-	5	5	5
<b>Subtotal</b>		<b>5</b>	<b>38</b>	<b>6</b>	<b>7</b>	<b>67.9</b>	<b>23</b>	<b>57.5</b>	<b>204.4</b>	<b>204.5</b>
<b>Total</b>		<b>11</b>	<b>94</b>	<b>20</b>	<b>25</b>	<b>208.9</b>	<b>63</b>	<b>103.5</b>	<b>525.4</b>	<b>522.5</b>
Percentage Professional category		55	60	73	72	67	63	44	61	61
Percentage General Service category		45	40	30	28	33	37	56	39	39
Ratio Professional to General Service		1.20	1.47	2.33	2.57	2.08	1.74	0.80	1.57	1.56

\* Excluding locally recruited field staff.

## Staff costs

1. The budget for staff costs is generally prepared in accordance with the rules and regulations applied to salaries, allowances and benefits of staff members of the United Nations, who are largely governed by the recommendations of the International Civil Service Commission (ICSC) of the United Nations Common System.
2. Standard rates are developed for each grade level, based on an analysis of statistical data for the IFAD population and actual expenditures relating to IFAD staff. The various components of standard costs represent the best estimate at the time of preparation of the budget document.
3. With no changes assumed for staff compensation in 2017, the change in standard costs from 2016 to 2017 primarily reflects the impact of the change in the exchange rate and within-grade step increment (WIGSI) adjustment, which is reflected in the table below.

### Composition of standard staff costs

(Millions of United States dollars)

<i>Category description</i>	<i>2017 FTEs at 2016 rates</i>	<i>2017 FTEs at 2017 rates</i>	<i>(Decrease) Increase</i>
<b>Professional staff</b>			
Salaries	27.25	27.76	0.51
Post adjustment	12.53	11.22	(1.31)
Pension and medical	11.33	11.67	0.34
Education grants	4.05	4.05	-
Repatriation, separation and annual leave	2.04	2.02	(0.02)
Home leave	1.13	1.13	-
Dependency allowances	1.07	1.09	0.02
United States tax reimbursement	0.99	0.99	-
Other allowances	1.04	1.05	0.01
Centralized recruitment costs	1.60	1.30	(0.30)
<b>Subtotal</b>	<b>63.03</b>	<b>62.28</b>	<b>(0.75)</b>
<b>General Service staff</b>			
Salaries	12.22	11.86	(0.36)
Pension and medical	4.31	4.34	0.03
Language allowance	0.58	0.57	(0.01)
Repatriation and separation	1.18	1.13	(0.05)
Other allowances	0.64	0.58	(0.06)
<b>Subtotal</b>	<b>18.93</b>	<b>18.48</b>	<b>(0.45)</b>
<b>Locally recruited country presence staff</b>	<b>5.19</b>	<b>5.54</b>	<b>0.35</b>
<b>Total regular staff costs</b>	<b>87.15</b>	<b>86.30</b>	<b>(0.85)</b>

## Capital budget (excluding CLEE), 2008-2016

(Thousands of United States dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
<b>ICT initiatives</b>										
Loans and grants (LGS replacement)	710	1 050	2 000	12 000	-	-	-	-	-	15 760
Human resources reform	134	541	400	500	-	575	400		480	3 030
ICO infrastructure – IT and communications	-	-	-	-	-	1 170	-	-	-	1 170
Institutional efficiency	556	300	470	1 423	-	780	787	600	975	5 891
Delivering as One	-	440	300	-	-	-	-	-	-	740
Knowledge management	-	-	-	-	-	-	613	-	-	613
IT infrastructure	600	1 200	360	375	3 215	775	497	1 200	470	8 692
Budget preparation system	-	-	-	-	-	-	-	-	375	375
<b>Subtotal ICT initiatives</b>	<b>2 000</b>	<b>3 531</b>	<b>3 530</b>	<b>14 298</b>	<b>3 215</b>	<b>3 300</b>	<b>2 297</b>	<b>1 800</b>	<b>2 300</b>	<b>36 271</b>
<b>Non-IT headquarters projects</b>	<b>-</b>	<b>550</b>	<b>-</b>	<b>889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>890</b>	<b>-</b>	<b>2 329</b>
<b>ICO security</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>781</b>
<b>Total</b>	<b>2 000</b>	<b>4 081</b>	<b>3 530</b>	<b>15 187</b>	<b>3 496</b>	<b>3 700</b>	<b>2 297</b>	<b>2 690</b>	<b>2 400</b>	<b>39 381</b>

## Carry-forward funds allocation

(Thousands of United States dollars)

<i>Department</i>	<i>Description of use of carry-forward funds</i>	<i>2015 3% carry-forward</i>
CSSG	Office of Budget and Organizational Development: E-learning module	60
PRM	Support for IFAD11 positioning paper	100
SKD	Research and Impact Assessment Division: Impact Assessment	1 000
PMD	Support for advancing design, implementation support, fragile situations, environment, water management, and gender policy etc.	905
FOD	Controller's and Financial Services Division:	
	• Accreditation of financial management consultants	155
	• Financial management dashboard and Oracle Business Intelligence reports	78
	Treasury Services Division: assessment of IFAD financial model	205
CSD	Human Resources Division: Systems changes for compensation changes for staff	135
	Administrative Services Division: Strengthening of HQ security	59
Corporate	ICO and headquarters coordination activities	240
	Funds available for allocation in the second tranche	1 613
<b>Total</b>		<b>4 550</b>

## Estimate of direct charges on investment income

(Thousands of United States dollars)

	2015	2016	2017
<b>Management fees</b>			
Global government bonds	743	396	153
Global diversified fixed income bonds	445	428	439
Global inflation-indexed bonds	691	552	395
Emerging market debt bonds	592	598	615
Contingent management fees	600	600	-
World Bank Reserves Advisory and Management Program (RAMP)	-	-	400
<b>Subtotal management fees</b>	<b>3 071</b>	<b>2 574</b>	<b>2 002</b>
<b>Custodian fees</b>			
Custody, transaction costs	110	110	110
Compliance, analytics	70	70	70
BarraOne risk software	245	245	245
<b>Subtotal custodian fees</b>	<b>425</b>	<b>425</b>	<b>425</b>
<b>Advice, information and trade support</b>			
Financial information providers	347	443	462
Institutional financial advisers	200	200	200
Trade order management system	160	-	-
Consultants	125	125	125
Due diligence travel	65	65	65
<b>Subtotal advice, information and trade support</b>	<b>897</b>	<b>833</b>	<b>852</b>
<b>Overall total</b>	<b>4 393</b>	<b>3 832</b>	<b>3 279</b>

## List of assumptions and inflation factors for 2017

<i>Reference</i>	<i>Description</i>	<i>Values</i>	<i>Basis/Source</i>
1	EUR:US\$ exchange rate	0.897:1	Agreed methodology
2	Consultants	2%	Actual data (06/2015- 06/2016)
3	Duty travel	2.5%	Industry data for average ticket price
5	General inflation	2.05%	Weighted average of world (3.2%) and Italian (0.9%) consumer price index (CPI)
4	Information Communications Technology	Actual	Price escalation on actual contracts and/or 2.05%
5	Staff cost increases for ICOs	Actual	International Civil Service Commission (ICSC salary scales)

# IOE Results Measurement Framework 2016-2018

Strategic objectives (SOs)	Divisional management results (DMRs)	Key performance indicators	Baseline 2011	Target (per year)	Means of verification		
<b>SO1:</b> Generate evidence through independent evaluations of IFAD's performance and results to promote accountability	DMR 1: Corporate policies and processes are improved through independent evaluations	1. Adoption rate of recommendations from CLEs, CSPEs, ESRs and PPEs	n/a	90%	PRISMA and IOE work programme and budget document		
	DMR 2: Country strategies/COSOPs are enhanced through country-level evaluations						
	DMR 3: Systemic issues and knowledge gaps in IFAD are addressed						
	DMR 4: IFAD-supported operations are improved through independent project evaluations						
<b>SO2:</b> Promote evaluation-based learning and an enhanced results culture for better development effectiveness	DMR 5: The Evaluation Manual is implemented and new evaluation methods and products are piloted	2. Range of new methods and designs applied	n/a.	2	IOE evaluations		
		3. Evaluations with quantitative analysis	n/a	3 (in the entire period)	Impact evaluations		
	DMR 6: Awareness and knowledge of evaluation-based lessons and quality of products are enhanced and increased	4. Number of outreach products for all evaluations disseminated through social tools and the Internet	n/a.	80			
		5. Number of in-country learning events co-organized by IOE with governments	4	5			
		6. Number of in-house and external knowledge events organized by IOE	5	7			
		7. Feedback on quality of IOE products from client survey	n/a	100 people (at least 60% positive feedback)			
		8. Number of downloads of IOE publications	n/a	200			
		9. Number of people receiving IOE newsletters	n/a	600			
		DMR 7: Evaluation capacity development (ECD) in partner countries	10. Number of ECD seminars/workshops organized in partner countries	n/a	1		IOE records
			11. Number of events attended by IOE staff related to self-evaluation and ECD	n/a	3		
		<b>SO1 and SO2</b>	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured	12. Budget cap	< 0.9% of IFAD PoLG	< 0.9% of IFAD PoLG	
13. Ratio of Professional to General Service staff	n/a			1/0.46			
14. Budget execution rate at year-end	n/a			97%			
15. Execution rate of key evaluation activities	n/a			95%			

## IOE reporting on achievements (as of mid-October 2016)

In 2016, IOE is reporting against both: (i) planned activities (table 1); and (ii) its key performance indicators (table 2 on page 61).

Table 1  
Reporting on IOE planned activities (January to mid-October 2016)

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
1. CLEs	IFAD's decentralization experience	To be completed in December 2016	Ongoing. The approach paper was discussed at the ninety-first session of the Evaluation Committee in March 2016 and finalized thereafter. Consultations were held with Board representatives and the Programme Management Department (PMD). Three regional in-country workshops with recipient country representatives were held: (i) in May in Peru; (ii) in June in Kenya; and (iii) in Viet Nam in July. The final draft report was shared with Management in early September 2016. The final report will be presented to the Evaluation Committee in November 2016 and subsequently to the Board in December 2016. An in-house learning event was organized by IOE on 14 October.
	Democratic Republic of the Congo	To be completed in December 2016	Ongoing. Main mission held in April 2016. Final report in preparation and national round-table workshop held on 18 October 2016.
	Egypt	To be completed in December 2017	Ongoing. Preparatory mission held in May-June 2016. Main mission is ongoing.
	India	Completed as planned in May 2016	Completed. National round-table workshop held on 12 May 2016. Agreement at completion point signed. CPE discussed in the 2016 October session of the Evaluation Committee.
	Mozambique	To be completed in December 2017	Ongoing. Preparatory mission held in July 2016. Main mission held in early September 2016. Final report in preparation.
	Nigeria	Completed as planned in April 2016	Completed. National round-table workshop held on 7 April 2016. Agreement at completion point signed. CPE discussed in the 2016 October session of the Evaluation Committee.
	Nicaragua	To be completed in December 2017	Ongoing. Preparatory mission held in April 2016 and main mission held in May-June 2016. Final report in preparation.
	Philippines	To be completed in December 2016	Ongoing. Preparatory mission held in January and main mission conducted in April. Final Report in preparation and national round-table workshop planned for 17 November 2016.
	Turkey	Completed in January 2016	Completed. National round-table workshop held in January 2016. Discussed at the ninety-first session of the Evaluation Committee in March 2016. Agreement at completion point signed. CPE report presented to the Board in September 2016.
	2. CSPEs		
3. PCRVs	Validate all project completion reports (PCRs) available within the year	To be completed in December 2016	Progressing as planned.
4. PPEs	Ten PPEs	To be completed by December 2016	All PPEs completed or ongoing according to planned schedule.



<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
5. Impact evaluations	Mozambique, Sofala Bank Artisanal Fisheries Development Project	Completed in July 2016	Completed. Presented for discussion at the ninety-fourth session of the Evaluation Committee in October 2016.
	Georgia, Agricultural Support Project	To start in July 2016	Ongoing
6. Engagement with governing bodies	14th Annual Report on Results and Impact of IFAD Operations (ARRI)	Completed in July 2016	Finalized. Report was presented to the Evaluation Committee and Executive Board in September 2016, including the learning theme on knowledge management.
	Review of the implementation of IOE's Results-based work programme for 2016 and indicative plan for 2017-2018 and preparation of the results-based work programme and budget for 2017 and indicative plan for 2018-2019	To be completed in December 2016	In progress as planned. The Evaluation and Audit Committees, and Executive Board reviewed the 2017 high-level preview of the IOE work programme and budget in September and October 2016. The Audit Committee and Executive Board will review the final document in December.
	IOE comments on PRISMA	Completed in September 2016	PRISMA, with IOE comments, were discussed with the Evaluation Committee and the Board in September 2016. The Board has underscored the importance of PRISMA, together with IOE comments on it, as an instrument for promoting accountability and learning.
	IOE comments on RIDE	Completed in September 2016	RIDE, with IOE comments, were discussed together with the ARRI at the Evaluation Committee and Executive Board sessions in September 2016.
	IOE comments on the update on IFAD's approach to a strategy for engagement in countries with fragile situations; and on the Synthesis of lessons learned from the IFAD9 Impact Assessment Initiative by IFAD Management	To be completed in December 2016	IOE comments on : (i) IFAD's approach to a strategy for engagement in countries with fragile situations; and (ii) Synthesis of lessons learned from the IFAD9 Impact Assessment Initiative were both presented to the Evaluation Committee in March and to the Board in April 2016. IOE comments on the IFAD strategy for engagement with countries with fragile situations presented to the Evaluation Committee in October. The Executive Board will discuss it in December 2016.
	Participation in all sessions of the Evaluation Committee, Executive Board and Governing Council, selected Audit Committee meetings, and the 2016 country visit of the Executive Board to Brazil	To be completed in December 2016	Evaluation Committee: four formal session held in March, June, September and October 2016. Executive Board: two formal sessions held in April and September 2016. Audit Committee: two formal sessions held in March and September 2016.
	IOE comments on COSOPs when related CPEs/CSPEs are available	To be completed in December 2016	IOE provided its written comments on the new COSOPs for Brazil and Tanzania for the Board's consideration in April 2016; and on the new COSOPs for China, Indonesia and Turkey for the Board's consideration in September 2016. IOE will prepare its comments on the COSOPs for Ethiopia and Nigeria for consideration by the Board at its December Session.
7. Communication and knowledge management activities	ESR on IFAD's support to scaling up results	To be completed in December 2016	Ongoing. Draft report prepared and shared with Management for comments. An in-house learning event is planned for 24 October 2016.
	ESR on country-level policy dialogue	To be completed in December 2016	Ongoing. Approach paper finalized.

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
	ESR on achieving gender equality and women's empowerment – a review of practices and results	To be completed in December 2016	Ongoing. Approach paper finalized. Report under preparation.
	Evaluation reports, <i>Profiles, Insights</i> , IOE website, etc.	January-December 2016	In progress as planned. IOE has published and disseminated to internal and external audiences a total of: 16 evaluation reports, 17 <i>Profiles, Insights</i> and briefs, 6 press releases, 3 overviews, 1 booklet, 10 infographics, 3 quarterly newsletters and 3 videos.
	Organization of in-country CPE/CSPE learning workshops as well as learning events in IFAD	January-December 2016	CPE national round-table workshops held in (i) Turkey in January; (ii) Nigeria in April; (iii) India in May; and (iv) CSPE final event of the Democratic Republic of Congo was held in October. Special efforts are being made in each workshop to invite representatives of beneficiaries, civil society and NGOs. In-house events included: (i) an in-house learning event on the CLE on IFAD's PBAS; (ii) an event at the IFAD global staff meeting on IOE and the independent evaluation function; (iii) an in-house workshop on the CLE Decentralization to cover the NEN region; (iv) ARRI in-house learning event held on 12 July 2016; (v) a learning event on Gender Transformative Pathways jointly organized with PMD on 9 September 2016; and (vi) a learning event on the CLE on IFAD's decentralization experience took place in mid-October 2016.
	Participation and knowledge-sharing in selected external platforms such as learning events or meetings of evaluation groups	January-December 2016	In progress as planned. UNEG webinar – led by IOE – on Rooting evaluation independence in the context of multilateral development organizations. United Kingdom Evaluation Society 2016 Annual Conference; Asian Evaluation Week; UNEG Evaluation week/Evaluation Practice Exchange. European Evaluation Society conference, Australasia Evaluation Society conference.
	Attendance at all Operational Strategy and Policy Guidance Committee meetings that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE. Attendance at Operations Management Committee meetings, quality assurance learning sessions, IFAD Management team meetings and selected country programme management team meetings	January-December 2016	In progress as planned. These forums provide IOE with opportunities to share evaluation lessons with IFAD Management and staff to strengthen the design of new policies, strategies and operations. IOE has participated in a number of Operational Strategy and Policy Guidance Committee meetings where evaluations have been done and occasionally in others for comments on monitoring and evaluation. IOE's Director and Deputy Director have attended a number of weekly Operational Strategy and Policy Guidance Committee meetings. The Director of IOE participated in the IFAD Management team meeting in May 2016; a second meeting is planned for November 2016. IOE has also participated in selected country programme management team meetings.
8. Partnerships	ECG, UNEG and SDC partnership	January-December 2016	In progress as planned. IOE participated in two ECG meetings in January 2016 and June 2016. In the January meeting, the Director of IOE chaired a session on climate finance and multilateral development bank collaboration in measuring the impact of climate finance projects. IOE also participated in the UNEG Annual General Meeting held in April, making presentations on: (i) no one left behind – equity and equality; (ii) national ECD for evaluation of the sustainable development goals (SDGs) and partnerships – lessons and ways forward; and (iii) evaluability of the SDGs. IOE Director was elected UNEG

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
			vice-chair for Evaluation Use for a two-year term starting April 2016. In this role, IOE participates actively in the work of UNEG, including having contributed to the revision of the UNEG norms and standards finalized in June 2016. Collaboration with SDC is ongoing amid regular interactions with partners.
	Contribution as external peer reviewer to evaluations by other international organizations as requested	January-December 2016	In his capacity as chairperson of the UNEG sub-group of peer review, the Director, IOE, led the peer review of the evaluation unit of the International Trade Centre. Report finalized end-June 2016.
	Implementation of joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	January-December 2016	In progress as planned. Presentation of the joint evaluation synthesis of FAO's and IFAD's Engagement in Pastoral Development to the Evaluation Committee in June 2016.
	Training on the second edition of the Evaluation Manual	January-December 2016	In progress as planned. Learning event on the Evaluation Manual held at IFAD's Global Staff Meeting to share the revised methodology used in the manual's second edition with IFAD staff.
9. Methodology	Contribution to in-house and external debate on impact evaluation and evaluation synthesis, including the SDGs	January-December 2016	In progress as planned. IOE was represented in a major conference in March on evaluating the SDGs with an equity-focused and gender-responsive lens, organized by UN Women, EvalPartners and other agencies. IOE also participated in: the Development Evaluation Week hosted by the African Development Bank's Independent Development Evaluation; the UK Evaluation Society's annual conference; the national conference of the Canadian Evaluation Society; the Asian Evaluation Week hosted by the Asian Development Bank; the European Evaluation Society Conference; and the Australasian Evaluation Society (AES).
	Development of a new harmonization agreement	To be completed by June 2017	Ongoing. The new agreement was originally planned for presentation to the Evaluation Committee in its October 2016 session. However, Management suggested delaying the presentation until March 2017 in order to roll out the development effectiveness framework in the course of 2016.
	Engagement in ECD in the context of regular evaluation processes	January-December 2016	Ongoing. The second edition of the Evaluation Manual was presented in New Delhi following the India CPE national round-table workshop in May 2016.
10. Evaluation capacity development (ECD)	Organization of workshops in partner countries on evaluation methodology and processes (upon request)	January-December 2016	The second edition of the Evaluation Manual was presented in New Delhi following the India CPE national round-table workshop in May 2016.
	Implementation of statement of intent with the Government of China on ECD in the country	January-December 2016	IOE conducted training in China on evaluation and evaluation methodology at the Asia-Pacific Finance and Development Institute. A presentation on evaluation methodology was also delivered during the Shanghai International Program for Development Evaluation Training.

## Reporting on IOE key performance indicators (January to mid-October 2016)

Based on IOE's 2016-2018 Results Measurement Framework, the following reporting matrix provides an overview of IOE achievements in against key performance indicators established with the Executive Board.

Table 2  
**Reporting on IOE key performance indicators (January to mid-October 2016)**

<i>Strategic objectives (SOs)</i>	<i>Divisional management results (DMRs)</i>	<i>Key performance indicators</i>	<i>Achievements as of mid-October 2016</i>	<i>Target (2016)</i>	<i>Means of verification</i>
<b>SO1:</b> Generate evidence through independent evaluations of IFAD's performance and results to promote accountability	DMR 1: Corporate policies and processes are improved through independent evaluations	1. Adoption rate of recommendations from CLEs, CSPEs, ESRs and PPEs	90%	90%	PRISMA and IOE work programme and budget document
	DMR 2: Country strategies/COSOPs are enhanced through country-level evaluations				
	DMR 3: Systemic issues and knowledge gaps in IFAD are addressed				
	DMR 4: IFAD-supported operations are improved through independent project evaluations				
<b>SO2:</b> Promote evaluation-based learning and an enhanced results culture for better development effectiveness	DMR 5: The Evaluation Manual is implemented and new evaluation methods and products are piloted	2. Range of new methods and designs applied	1	2	IOE evaluations
		3. Evaluations with quantitative analysis	1	1	Impact evaluations
		4. Number of outreach products for all evaluations disseminated through social tools and the internet	16 evaluation reports, 17 profiles, Insights and briefs, 6 press releases, 3 overviews, 1 booklet, 10 infographics, 3 quarterly newsletters and 3 videos.	80	
		5. Number of in-country learning events co-organized by IOE with governments	6	5	
	DMR 6: Awareness and knowledge of evaluation-based lessons and quality of products are enhanced and increased	6. Number of in-house and external knowledge events organized by IOE	8	7	
		7. Feedback on quality of IOE products from client survey	119 respondents 94% positive feedback (71% satisfied or very satisfied, 23% moderately satisfied, 5% neutral and 1% negative)	100 people (at least 60% positive feedback)	

		8. Number of downloads of IOE publications	n/a	200	
		9. Number of people receiving IOE newsletters	600	600	
	DMR 7: Evaluation capacity development (ECD) in partner countries	10. Number of ECD seminars/workshops organized in partner countries	1	1	IOE records
		11. Number of events attended by IOE staff related to self-evaluation and ECD	3	3	
SO1 and SO2	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured	12. Budget cap	0.39% of IFAD PoLG	< 0.9% of IFAD PoLG	
		13. Ratio of Professional to General Service staff	1/0.46	1/0.46	
		14. Budget execution rate at year-end	87.7%	97.8%	
		15. Execution rate of key evaluation activities	n/a	95%	

## IOE proposed evaluation activities for 2017 and indicative plan for 2018-2019

Table 1  
Proposed IOE work programme for 2017 by type of activity

Type of work	Proposed activities for 2017	Start date	Expected finish date	Expected delivery time				
				Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	2018
1. Corporate-level evaluations (CLEs)	IFAD's financial architecture	Jan-17	Dec-17				X	
2. Country strategy and programme evaluations (CSPEs)	Angola	Apr-17	Apr-18					X
	Cambodia	Jan-17	Dec-17				X	
	Cameroon	Jan-17	Dec-17				X	
	Georgia	Apr-17	Apr-18					X
	Peru	Jan-17	Dec-17				X	
3. Project completion report validations (PCRVs)	Validation of all PCRs available in the year	Jan-17	Dec-17	X	X	X	X	
4. Evaluation synthesis reports (ESRs)	Fishery, aquaculture and coastal area development Partnership-building at the country level, including with the private sector	Jan-17	Dec-17				X	
5. Project performance evaluations (PPEs)	10 PPEs	Jan-17	Dec-17			X	X	
6. Impact evaluations	One new impact evaluation (project to be determined)	Jul-17	Jun-18					X
7. Engagement with governing bodies	Review of implementation of IOE's Results-based work programme and budget for 2017 and indicative plan for 2018-2019; preparation of the Results-based work programme and budget for 2018 and indicative plan for 2019-2020	Jan-17	Dec-17			X	X	
	15 <sup>th</sup> ARRI and its learning theme on financial management and fiduciary responsibilities	Jan-17	Dec-17			X		
	IOE comments on the PRISMA	Jan-17	Sep-17			X		
	IOE comments on the RIDE	Jun-17	Sep-17			X		
	IOE comments on IFAD Management policies and strategies	Jan-17	Dec-17	X	X	X	X	
	Participation in all sessions of governing body meetings (Evaluation Committee, Executive Board and Governing Council); selected Audit Committee meetings; and 2017 Executive Board country visit	Jan-17	Dec-17	X	X	X	X	
	IOE comments on COSOPs, when related CSPEs are available	Jan-17	Dec-17		X	X	X	

Type of work	Proposed activities for 2017	Start date	Expected finish date	Expected delivery time				2018
				Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	
8. Communication and knowledge management activities	Evaluation reports, <i>Profiles, Insights</i> , website, etc.	Jan-17	Dec-17	X	X	X	X	
	Organization of in-country CSPE learning workshops as well as learning events in IFAD	Jan-17	Dec-17	X	X	X	X	
	Participation and knowledge-sharing in selected external platforms such as learning events and meetings of evaluation groups. Organization of a conference on IT applied to evaluation	Jan-17	Dec-17	X	X	X	X	
	Attendance at all Operational Strategy and Policy Guidance Committee meetings that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE; attendance at meetings of the Operations Management Committee, IFAD Management Team and selected country programme management teams	Jan-17	Dec-17	X	X	X	X	
9. Partnerships	ECG and UNEG partnerships	Jan-17	Dec-17	X	X	X	X	
	ECG chair. UNEG vice-chair	Jan-17	Dec-17	X	X	X	X	
	Quality assurance of the external evaluation of the Committee on World Food Security. Contribution as external peer reviewer to evaluations by other development organizations as requested	Jan-17	Dec-17	X	X	X	X	
10. Methodology	Implementation of joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	Jan-17	Dec-17	X	X	X	X	
	Contribution to in-house and external debate on impact evaluations	Jan-17	Dec-17	X	X	X	X	
11. ECD	Implementation of the new harmonization agreement between self- and independent evaluations	Jan-17	Oct-17	X	X	X	X	
	Engagement in ECD in context of regular evaluation processes	Jan-17	Dec-17	X	X	X	X	
	Organization of workshops in partner countries on evaluation methodology and processes (upon request)	Jan-17	Dec-17	X	X	X	X	
	Implementation of statement of intent with the Government of China on ECD in the country	Jan-17	Dec-17	X	X	X	X	

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

Table 2  
IOE indicative plan for 2018-2019 by type of activity\*

Type of work	Indicative plan for 2018-2019	Year
1. Corporate-level evaluations (CLEs)	IFAD's contribution to agriculture-related value chain development	2018
	IFAD's self-evaluation system	2019
2. Country strategy and programme evaluations (CSPEs)	Pakistan, Sri Lanka	2018
	Countries to be selected in the East and Southern Africa Division	2018
	El Salvador, Mexico/Ecuador	2018
	Sudan	2018
	Niger, Sierra Leone	2018
3. Project completion report validation (PCRVs)	Validation of all PCRVs available in the year	2018-2019
4. Project performance evaluation (PPEs)	Approximately 10 PPEs per year	2018-2019
5. Impact evaluations	1 per year (project to be determined)	2018-2019
	16 <sup>th</sup> and 17 <sup>th</sup> ARRIIs	2018-2019
6. Engagement with governing bodies	Review of implementation of results-based work programme and budget for 2018 and indicative plan for 2019-2020; and	2018
	Preparation of results-based work programme and budget for 2019 and indicative plan for 2020-2021	2019
	IOE comments on the PRISMA	2018-2019
	IOE comments on the RIDE	2018-2019
	IOE comments on selected IFAD operational policies, strategies and processes prepared by IFAD Management for consideration by Evaluation Committee	2018-2019
	Participation in all sessions of Evaluation Committee according to the revised Terms of Reference and Rules of Procedure of the Evaluation Committee of the Executive Board; participation in Executive Board and Governing Council sessions; participation in annual country visit of the Executive Board	2018-2019
	IOE comments on COSOPs, when related CPEs/CSPEs are available	2018-2019
7. Communication and knowledge management activities	Evaluation reports, <i>Profiles, Insights, website</i> , etc.	2018-2019
	Evaluation synthesis on food security and agricultural productivity	2018
	Evaluation synthesis on community-driven rural development	2018
	Evaluation synthesis on climate change	2019
	Evaluation synthesis on IFAD's contribution to improving household income and assets	2019

\* The topics and number of CLEs, CPEs/CSPEs and ESRs are tentative. The actual topics and numbers to be undertaken in 2017 and 2018 will be determined later in 2017.



	Attend all meetings of the Operational Strategy and Policy Guidance Committee that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE; attend Operations Management Committee, IFAD Management team and selected country programme management teams' meetings	2018-2019
8. Partnership	ECG and UNEG partnerships	2018-2019
	Joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	2018-2019
9. Methodology	Contribute to in-house and external debate on impact evaluation	2018-2019
10. ECD	Implement activities in partner countries related to ECD	2018-2019

## IOE staff levels

Table 1  
**IOE staff levels for 2017**

<i>Year</i>	<i>Professional staff</i>	<i>General service staff</i>	<i>Total</i>
2007	10.5	9.5	20
2008	10	8.5	18.5
2009	11	8.5	19.5
2010	11.5	8	19.5
2011	11.5	8	19.5
2012	11.5	8	19.5
2013	12.5	6	18.5
2014	12.5	6	18.5
2015	13	6	19
2016	13	6	19
<b>2017</b>	<b>14</b>	<b>6</b>	<b>20</b>

Table 2  
**Human resource category**

<i>Category</i>	<i>2016</i>	<i>2017</i>
<b>Professional staff</b>		
Director	1	1
Deputy director	1	1
Lead evaluation officer	3	3
Evaluation officer	6	7
Evaluation research analyst	1	1
Evaluation knowledge and communication officer	1	1
<b>Subtotal Professional staff</b>	<b>13</b>	<b>14</b>
<b>General Service staff</b>		
Administrative assistant	1	1
Assistant to the Director	1	1
Assistant to the Deputy Director	1	1
Evaluation assistant	3	3
<b>Subtotal General Service staff</b>	<b>6</b>	<b>6</b>
<b>Grand total</b>	<b>19</b>	<b>20</b>

## IOE proposed budget for 2017

Table 1  
**IOE proposed budget 2017**  
 (United States dollars)

<i>Evaluation work</i>	<i>2013 budget</i>	<i>2014 budget</i>	<i>2015 budget</i>	<i>(1)</i> <i>2016 budget</i>	<i>Proposed 2017 budget</i>		
					<i>(2)</i> <i>Real increase/(decrease)</i>	<i>(3)</i> <i>Price increase/(decrease)</i>	<i>(4)</i> <i>Total 2017 budget</i> <i>(4)=(1)+(2)+(3)</i>
Non-staff costs	2 346 711	2 395 992	2 455 892	2 541 520	(125 000)	74 341	2 490 861
Staff costs	3 667 268	3 586 690	3 614 041	3 127 899	144 898	(37 741)	3 235 056
<b>Total</b>	<b>6 013 979</b>	<b>5 982 682</b>	<b>6 069 933</b>	<b>5 669 419</b>	<b>19 898</b>	<b>36 600</b>	<b>5 725 917</b>

Table 2  
**2017 IOE budget proposal breakdown for non-staff costs**  
 (United States dollars)

<i>Type of activity</i>	<i>Absolute number</i>	<i>Relative number in terms of per cent of work completed<sup>a</sup></i>	<i>United States dollars</i>	
			<i>Standard unit costs<sup>b</sup></i>	<i>Proposed non-staff costs in 2017</i>
ARRI	1	1	80 000 – 150 000	80 000
CLEs		1	Differentiated cost based on scope and nature of issues to be assessed: 250 000 – 450 000	385 000
• IFAD's experience in decentralization		0.2		
• IFAD's financial architecture	1	0.8		
CSPEs			Differentiated cost based on size of portfolio, size of country, travel costs and availability of evaluative evidence: 180 000 – 200 000	1 000 000
	7	5.2		
ESRs				
• Fishery, aquaculture and coastal area development		0.7		
• Partnership-building at the country level, including with the private sector	2	0.3	40 000 – 65 000	110 000
PPEs	10	10	30 000 – 40 000	315 000
PCRVs	About 30	About 30	-	30 000
Impact evaluations	2	1		200 000
Knowledge-sharing, communication, evaluation outreach and partnership activities	-	-		225 000
ECD, training and other costs	-	-		145 861
<b>Total</b>				<b>2 490 861</b>

<sup>a</sup>. Some evaluations take two years to complete; this figure represents the percentage of work for each type of evaluation activity in 2017.

<sup>b</sup>. Standard unit costs include staff travel when necessary.

Table 3  
**IOE proposed 2017 budget allocation (staff and non-staff costs) by objective and divisional management result (DMR)**  
 (United States dollars)

<i>IOE strategic objectives</i>	<i>IOE DMRs</i>	<i>Proposed budget (staff and non-staff costs)</i>	<i>Percentage of total proposed budget</i>
SO1: Generate evidence through independent evaluations of IFAD's performance and results to promote accountability	DMR 1: Corporate policies and processes are improved through independent evaluations	714 175	13
	DMR 2: Country strategies/COSOPs are enhanced through country-level evaluations	2 002 475	34
	DMR 3: Systemic issues and knowledge gaps in IFAD are addressed	450 162	7
	DMR 4: IFAD-supported operations are improved through independent project evaluations	813 521	15
<b>Total for SO1</b>		<b>4 008 638</b>	<b>70</b>
SO2: Promote evaluation-based learning and an enhanced results culture for better development effectiveness	DMR 5: The Evaluation Manual is implemented and new evaluation methods and products are piloted	495 180	8
	DMR 6: Awareness and knowledge of evaluation-based lessons and quality of products are enhanced and increased	604 042	13
	DMR 7: Evaluation capacity development (ECD) in partner countries	337 615	5
<b>Total for SO2</b>		<b>1 446 272</b>	<b>25</b>
<b>Joint SO1 and SO2</b>	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured	308 747	5
<b>Grand total</b>		<b>5 725 917</b>	<b>100</b>

# IOE selectivity framework

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

<i>Corporate-level evaluations (CLEs)</i>	<i>Country strategy and programme evaluations (CSPEs)</i>	<i>Evaluation synthesis reports (ESRs)</i>	<i>Project performance evaluations (PPEs)</i>	<i>Impact evaluations</i>
<ol style="list-style-type: none"> <li>1. <b>Strategic priority</b> The evaluation contributes to IFAD's strategic priorities and replenishment commitments.</li> <li>2. <b>Accountability</b> Topic selected contributes to strengthening IFAD's institutional accountability.</li> <li>3. <b>Knowledge gap</b> CLEs contribute to filling a critical knowledge gap in IFAD.</li> <li>4. <b>Timeliness</b> Evaluation results feed punctually into pertinent corporate policies, strategies and/or processes.</li> <li>5. <b>Corporate risks</b> The evaluation serves to help minimize critical corporate risks.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Link to COSOPs</b> Results feed into the development of IFAD country strategies/ COSOPs.</li> <li>2. <b>Coverage:</b> <ol style="list-style-type: none"> <li>a) Regional and country coverage of CSPEs</li> <li>b) Size of the portfolio in terms of total investments and number of operations</li> <li>c) Debt sustainability framework classification (red, yellow, green)</li> <li>d) Lending terms (highly concessional, blend or ordinary)</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Evaluative evidence</b> Availability of adequate evaluative evidence by IOE and evaluation functions in other development organizations.</li> <li>2. <b>Knowledge gap</b> ESRs contribute to filling a critical knowledge gap in IFAD.</li> <li>3. <b>Strategic priority</b> The synthesis contributes to IFAD's strategic priorities and replenishment commitments.</li> <li>4. <b>Timeliness</b> The synthesis feeds punctually into pertinent corporate policies, strategies and/or processes.</li> <li>5. <b>Building block</b> The synthesis serves as an input for other IOE products.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Availability of PCR</b> PPEs will be done only when a PCR is available.</li> <li>2. <b>Geographic coverage</b> PPEs selected to ensure regional balance of the IOE evaluation programme.</li> <li>3. <b>Building block</b> Priority given to PPEs that will provide an input into CSPEs, CLEs or synthesis reports.</li> <li>4. <b>Information gaps</b> PCR does not provide sufficient analysis of project performance and results.</li> <li>5. <b>Inconsistencies</b> PCR ratings are inconsistent with narrative.</li> <li>6. <b>Innovative approaches</b> The project includes innovative approaches that merit deeper analysis and documentation.</li> <li>7. <b>Learning from PPE</b> Evidence needed on what worked and why.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>No duplication</b> No impact evaluation conducted by IFAD Management of the same operation.</li> <li>2. <b>Learning from impact evaluation</b> Evidence needed on what works in a certain context.</li> <li>3. <b>Building block</b> Priority for impact evaluations that will provide an input into CSPEs, CLEs or synthesis reports.</li> <li>4. <b>Completion date</b> Impact evaluations will be done within three years after completion date.</li> <li>5. <b>Baseline data</b> The availability and usability of baselines is essential to determine the methodology to be applied in impact evaluations.</li> <li>6. <b>Information gaps</b> The PCR does not provide sufficient analysis of the effectiveness and impact of certain interventions.</li> <li>7. <b>Innovative approaches</b> The project includes innovative approaches that merit deeper analysis and documentation.</li> </ol>