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Investing in rural people

Minutes of the ninety-eighth session of the Evaluation Committee

Note to Executive Board representatives

Focal points:

Technical questions:

Oscar A. García
Director
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: a.garcia@ifad.org

Dispatch of documentation:

William Skinner
Chief
Governing Bodies
Tel.: +39 06 5459 2974
e-mail: gb@ifad.org

Executive Board — 121st Session
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For: Information

Minutes of the ninety-eighth session of the Evaluation Committee

1. The minutes of the ninety-eighth session of the Evaluation Committee held on 5 September 2017 cover the Committee's deliberations during the session.
2. As approved by the Evaluation Committee, the minutes will be shared with the Board and will be used as the basis for the Chairperson's oral report to the Executive Board.

Agenda item 1. Opening of the session

3. The Chairperson, Mr Rishikesh Singh (India), welcomed participants to the session.
4. The session was attended by Committee members for France, Ghana, Indonesia, Japan, Mexico, the Netherlands, Nigeria and Switzerland. Representatives of China and the Dominican Republic attended as observers. The session was also attended by the Director, Independent Office of Evaluation of IFAD (IOE); Deputy Director, IOE; Associate Vice-President, Programme Management Department (PMD); Chief, Operational Programming and Effectiveness Unit (OPE), PMD; Associate Vice-President a.i., Strategy and Knowledge Department (SKD) and Director, Research and Impact Assessment Division (RIA); Director, Global Engagement, Knowledge and Strategy Division (GKS); Officer-in-Charge, Near East, North Africa and Europe Division (NEN); Country Programme Manager, NEN; Secretary of IFAD, a.i.; and other IFAD staff.
5. Mr Zaal Margvelashvili, Senior Counsellor and Alternate Permanent Representative of Georgia to IFAD, participated as an observer in the discussions on the impact evaluation of the Agricultural Support Project in Georgia, and shared the Government's perspective.

Agenda item 2. Adoption of the agenda

6. The provisional agenda comprised the following items: (i) opening of the session; (ii) adoption of the agenda; (iii) Impact evaluation of the Agricultural Support Project in Georgia; (iv) Preview of IOE's results-based work programme and budget for 2018 and indicative plan for 2019-2020; (v) President's report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA); (vi) 2017 Annual Report on Results and Impact of IFAD's Operations (ARRI); (vii) Report on IFAD's Development Effectiveness (RIDE); and (viii) other business.
7. The provisional agenda was amended to include, under other business, an announcement regarding the launch of the "Centers for Learning on Evaluation and Results" (CLEAR) initiative; issues of relevance to the Evaluation Committee arising from the third Executive Board retreat; and a timeline for commenting on the draft minutes of the ninety-eighth session.
8. The Committee adopted the agenda contained in document EC 2017/98/W.P.1, amended to include three items under other business (to be issued as EC 2017/98/W.P.1/Rev. 1).

Agenda item 3. Impact evaluation of the Agricultural Support Project in Georgia

9. The Committee reviewed document EC 2017/98/W.P.2, Impact evaluation of the Agricultural Support Project in Georgia, and thanked IOE for the report and for the innovative methodology used, including the use of information and communication technologies. This was the fourth impact evaluation conducted by IOE during 2016 and 2017.
10. Given the poor state of infrastructure in the country and the limited focus on the agriculture sector, the focus on small-scale rural infrastructure and rural leasing was

especially relevant to the country context, and the project was well aligned with government policies and the needs of the rural poor. It was noted that the project had thus served to revitalize interest in the agriculture sector on the part of the Government and other partners. Some members noted that the catalytic role of these kinds of projects could be considered as an objective from the onset.

11. The Committee noted that overall project achievement had been rated moderately unsatisfactory. In terms of effectiveness, efficiency and overall impact on rural poverty, the project was moderately unsatisfactory due to the disparate nature of interventions and lack of synergy between them, delayed startup with respect to some activities, lack of a gender focus and unrealistic targets. Working in close partnership with the Government had contributed to the sustainability of interventions, especially infrastructure maintenance, and to institutional strengthening. Members thanked IFAD for focusing on agriculture and infrastructure, which was a real challenge in Georgia, and pledged to support similar interventions in the future.
12. The Committee thanked Management for accepting the recommendations provided by IOE, and noted that some of these were already being implemented and the others would be taken on board in new country strategic opportunities programmes (COSOPs) and project designs.
13. The Committee took note of the unsatisfactory rating on gender equality and women's empowerment. Management stated that while there was no specific indicator on the number of female-headed enterprises, efforts had been made to target women by creating jobs and bringing safe drinking water closer to households, minimizing manual labour and freeing up time for other activities.
14. One member asked what steps were being taken to address the issue of cofinancing. Management indicated that partnerships being developed with the Danish International Development Agency and the European Bank for Reconstruction and Development would focus on targeting youth and livestock improvement in mountain areas, respectively.
15. In response to a comment about the apparent contradiction between the recommendation to use a holistic approach and the critique that Management's interventions had been disparate and lacking in synergy, IOE noted that in this context, "holistic" referred to a participatory design process to enhance targeting and synergies in activities implemented.

Agenda item 4. Preview of IOE's results-based work programme and budget for 2018 and indicative plan for 2019-2020

16. The Committee reviewed the preview of IOE's results-based work programme and budget for 2018 and indicative plan for 2019-2020 (document EC 2017/98/W.P.3). Members commended IOE for having reduced its budget requirements since 2013 through a sustained focus on efficiency and process streamlining.
17. Members welcomed the work programme for 2018, particularly the corporate-level evaluation (CLE) on pro-poor value chain development, the evaluation synthesis reports on rural finance and support to technical innovations, and the planned project evaluations. Plans included five country strategy and programme evaluations, one impact evaluation on the Smallholder Horticulture Marketing Programme project in Kenya, eight project performance evaluations and validation of 100 per cent of project completion reports, which range in number from 28 to 38 a year.
18. Regarding collaboration with the Rome-based agencies (RBAs), IOE informed members that the three agencies had each conducted country programme evaluations in Cameroon and would hold a joint workshop in February 2018 to share their findings and identify synergies and opportunities for better RBA collaboration in Cameroon. IOE noted that no joint evaluation could be conducted

because there was no joint programme and the programme activities of each agency were distinct.

19. The committee noted that the proposed budget of US\$5.91 million included the 2018 portion of the external peer review, equivalent to US\$100,000. The 2018 budget thus represented a nominal 1.5 per cent increase against the 2017 budget, comprising a 1.1 per cent real decrease and a 2.6 per cent price increase.
20. Given that the number of project performance evaluations was reduced from 10 to 8, members asked why the cost of the evaluations remained the same in 2018 as in 2017, implying a substantial increase in the unit cost per evaluation. IOE responded that enhanced techniques for gathering feedback from direct beneficiaries, such as SenseMaker and other types of surveys, required additional resources.
21. Regarding the US\$72,000 increase in personnel costs over 2017, IOE informed the Committee that this was to cover contingencies such as maternity leaves or prolonged absence due to health reasons. This is due to the fact that IOE is not benefitting from the IFAD buffer for such expenses given the independent nature of its budget.

Agenda item 5. President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

22. The Committee reviewed the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, the PRISMA, as contained in document EC 2017/98/W.P.4, and IOE's comments thereon, provided in an addendum to the document.
23. This fourteenth edition of the PRISMA reviewing follow-up actions on recommendations made by IOE covered 20 evaluations with 180 recommendations, including historical follow-up on three CLEs.
24. The Committee welcomed the PRISMA and related IOE comments, and thanked Management for the high uptake of recommendations at 97 per cent, up from 94 per cent in 2016, signifying willingness and readiness to improve. Some members encouraged Management to move uptake to 100 per cent. Members noted Management's acknowledgement of the importance of the evaluation function and expressed appreciation for the high quality of IOE's recommendations and its contribution to improved performance on IFAD initiatives and operations.
25. Members sought clarification on the lack of follow-up on some recommendations, such as the outposting of the country programme manager for Bangladesh. Management noted that Bangladesh was a high priority for outposting and plans were under way to accelerate the decentralization process.
26. A Member expressed appreciation for IOE's recommendation and contribution to improve the performance-based allocation system (PBAS) formula, and thanked Management for the proposed revised formula. Management said that this recommendation was marked as fully followed up in the PRISMA because Management had taken the requisite action to revise the formula, although Executive Board approval is still pending and is expected to take place at the Board's 121st session.
27. Management explained why some recommendations from the CLE on the PBAS had not been agreed to.
 - (a) Collecting systematic feedback on rural sector performance assessment and the portfolio-at-risk variable. Management agreed to collect systematic feedback on rural sector performance as an assessment of the country's policies and institutions, but not on the portfolio-at-risk variable because this was a mathematical calculation of country performance. However, the portfolio-at-risk variable has been enhanced and is now called

portfolio performance and disbursement, since disbursement levels ultimately affect overall country performance.

- (b) Exploring more ways to capture IFAD's performance at the country programme level beyond the portfolio-at-risk variable. Management disagreed with this recommendation because the relevant data were not yet readily available. In future, with more COSOPs and COSOP completion reports, country performance could be included in the PBAS.
 - (c) Establishing a standing inter-departmental committee to oversee PBAS allocations and reallocations, rather than leaving this up to regional divisions or the Associate Vice-President, PMD. Management agreed with this in principle, and would take a corporate approach to PBAS allocations, albeit through existing corporate bodies such as the Operations Management Committee and the Executive Management Committee.
28. Regarding the issue of complex and multiple recommendations by IOE, members emphasized the importance of IOE's independence in formulating recommendations to Management. They noted that IOE and Management would continue to engage in a dialogue to enhance clarity of recommendations and greater alignment in the context of the second phase of the Agreement between IFAD Management and the Independent Office of Evaluation of IFAD on the Harmonization of IFAD's Independent Evaluation and Self-Evaluation Methods and Systems Harmonization Agreement.
29. In response to the question of why Management did not monitor and report on follow-up to recommendations addressed to project management units (PMUs) and governments, Management said that while not reported in the PRISMA, follow-up was done through COSOPs, project designs and the portfolio review processes. There was currently no mechanism to report back to the Committee on recommendations to PMUs and governments. Management would explore ways to systematically collect feedback and report on recommendations to projects and governments, and share a proposal with the Committee.
30. Regarding the PRISMA's response to the recommendation on targeting, a member noted that this was not satisfactory as it did not fully show what steps Management was taking to address targeting issues generally. Management agreed that there was a need to revisit IFAD's operational approaches and guidelines to targeting in the context of discussions on the Eleventh Replenishment of IFAD's Resources (IFAD11), and undertook to include this in the IFAD11 business model.

Agenda item 6. 2017 Annual Report on Results and Impact of IFAD's Operations (ARRI); and agenda item 7. Report on IFAD's Development Effectiveness (RIDE)

31. The Committee reviewed the ARRI, contained in document EC 2017/98/W.P.5 with Management's response thereon, and the RIDE as contained in document EC 2017/98/W.P.6, with IOE's comments thereon.
32. The Committee welcomed the ARRI and RIDE, and congratulated IOE and Management for the excellent reports. In particular, members expressed satisfaction with the reduced gap between the ARRI and RIDE ratings, and the notable improvement in the quality of self-assessment. It was regretted that only the overview of the ARRI had been translated into all IFAD official languages. A member asked whether it was necessary to have both the ARRI and the RIDE given that they were now more closely aligned. Management clarified that the reports provided a holistic picture of IFAD's performance from two perspectives, and were mutually reinforcing. IOE also confirmed the importance of dual reporting to the governing bodies. Furthermore, the RIDE reports on a wider range of topics, such as organizational effectiveness and institutional efficiency, measuring progress against targets set in the Results Measurement Framework (RMF) adopted by the

Governing Council as part of the replenishment consultation report. The ARRI provided primarily an independent perspective of IFAD's development effectiveness.

33. The Committee noted the importance attached to non-lending activities in the ARRI and RIDE, in particular with regard to policy dialogue and engagement. Also, members emphasized the importance of increasing IFAD's visibility by capitalizing on communicating results from the field, decentralization, partnerships and policy dialogue. IFAD's increased visibility would greatly contribute to the replenishment process, and other resource mobilization initiatives. IFAD was taking steps at the global and the country level to strengthen visibility, such as active participation in global processes, including the G7, G20 and United Nations processes. Decentralization and outposting of country programme managers contribute to IFAD's visibility in the field.
34. A summary of issues raised during the Committee's discussion of the ARRI and RIDE is presented below.

ARRI

35. The Committee took note of the statistically significant improvement in project performance, relevance, gender equality, innovation and scaling up, and IFAD as a partner between IFAD8 and IFAD9, but noted that ratings on the majority of criteria fell below the IFAD9 and IFAD10 RMF targets. The Committee also took note of IOE's recommendations to raise performance and fully meet the IFAD10 targets, including the need for well-defined targeting strategies; promotion of gender equality and women's empowerment; improved monitoring and evaluation (M&E) to collect disaggregated evidence; rigorous fiduciary procedures tailored to country context and systematization of non-lending activities.
36. Members expressed appreciation for the changes to the criteria for project-level evaluations, such as the inclusion of sustainability of benefits under project performance, the streamlining of rural poverty impact subdomains ratings into one, and the separate rating of environment and natural resources management and adaptation to climate change. They welcomed the ARRI findings, conclusions and recommendations, especially the need to ensure a shift in ratings from moderately satisfactory to satisfactory.
37. Members took note of the change from a satisfactory to a moderately satisfactory rating for gender mainstreaming and partnership-building, and welcomed Management's commitment to address this and other ARRI recommendations. Members emphasized the need to: (a) strengthen partnerships; (b) strengthen decentralization as a way to facilitate policy engagement; (c) focus on targeting and gender; and (d) review and improve systems and processes to facilitate disbursements.
38. The Committee noted that Management had welcomed the ARRI recommendations and taken steps to address them, such as refining the business model under discussion in IFAD11, launching the Initiative on Operational Excellence and establishing task teams on specific reform areas, including reviewing the design process, non-lending activities, decentralization, South-South technical cooperation, targeting, and gender mainstreaming and women's empowerment.
39. A member asked IOE to respond to the Management response on the ARRI methodology, regarding the disentangling of the project completion report validation, project performance evaluation and the impact evaluation data set. IOE noted that the methodology used in these evaluations was the same, as well as the criteria and questions. There was therefore no need to disentangle them.
40. IOE and Management would continue their dialogue on the second phase of the harmonization agreement to ensure that the same dimensions were measured.

41. IOE explained that the repetition of the recommendation on gender mainstreaming was deliberate, to emphasize its importance for achieving transformative change in rural areas. The ARRI recommended building on IFAD's strengths, as well as revising the modus operandi, to enhance national ownership of interventions and thereby promote quality and effectiveness.
 42. A member remarked that development was not necessarily driven by goals and targets, and urged that IFAD do more towards achieving the expected development results and impact, in view of the fact that the upcoming report on the state of food insecurity was expected to indicate that food insecurity had increased despite the ambitious goals agreed. IOE noted that setting goals and targets made it possible to measure and track progress on initiatives, hence the recommendation to enhance the capacity to measure natural resource management and adaptation to climate change. The Committee noted that disentangling the measurement of these two indicators, as well as the indicators for agriculture productivity and food security, would facilitate better tracking of progress made by interventions.
 43. The ARRI reiterated the need to address existing bottlenecks that affected efficiency and sustainability of benefits.
 44. The Committee welcomed the choice of targeting as the ARRI learning theme for 2018.
- RIDE
45. The 2017 RIDE reports on the results achieved in 2016 against the indicators and targets agreed with Member States in the corporate RMF for the IFAD10 period, 2016-2018. The Committee expressed appreciation for a clear and concise document, which provided an excellent balance between areas of progress and those needing improvement.
 46. The RIDE contained new features such as a dedicated "in focus" annex on IFAD's non-lending activities, covering South-South and Triangular Cooperation (SSTC) during the period under review. Members underlined the importance of SSTC and appreciated the progress report on the topic in this year's RIDE. While welcoming the new features of the RIDE, members asked Management to consider reintroducing the old features such as: the "traffic light" feature as a user-friendly way to show progress; an overview of the annual performance to provide a context for the results; the total value and size of IFAD's portfolio and the amount of financing approved in the year, to facilitate interpreting the results and identifying areas for improvement; and the way forward instead of "conclusions", to show steps to be taken by management in addressing identified issues.
 47. It was noted that a large proportion of projects remained moderately satisfactory across the various evaluation criteria followed by IFAD, and that persistent challenges remained at project level, including operational efficiency, sustainability of benefits, climate change and environmental and natural resources management. Management committed to take necessary actions to move beyond moderately satisfactory ratings by fine-tuning the business model, and through the operational excellence initiative to improve project management.
 48. The Committee further noted that Management had conducted a thorough analysis of the workforce composition and was taking steps to increase the proportion of women in P-5 positions and above.
 49. Regarding the policy dialogue rating, Management acknowledged that greater efforts would be made to enhance IFAD's engagement in national policy dialogue. The Committee took note of the actions already undertaken, such as the inclusion of a more robust indicator and related methodology for assessing country-level policy engagement in the RMF for the IFAD11 period. In addition to improved client surveys, efforts will be made to capture performance in policy dialogue through COSOP completion reviews and COSOP results reviews.

50. In response to whether local embassies in different countries were included as respondents to the IFAD client survey, Management informed the Committee that the improved client survey tool would include embassies, and that the surveys would be more focused and conducted more regularly.
51. In response to a question on cofinancing, Management clarified that budgetary and in-kind contributions were not currently disaggregated. Under IFAD11, Management would systematize how domestic cofinancing by governments was captured, because this had not been done systematically across operations and across countries in the past. The Committee noted that, in addition to seeking cofinancing for IFAD-funded initiatives, Management would continue to respond to opportunities to cofinance operations primarily financed by other institutions, as a means of increasing cooperation. Finally, it was noted that cofinancing performance varied from region to region.
52. Management also clarified that RMF baselines were set based on the performance of operations at the time of its development, and the target was set by both Management and Membership through the replenishment consultations, taking into account the reforms envisaged during the corresponding replenishment period.
53. Regarding the view that the RIDE leaned more toward accountability than learning, Management reiterated that the RIDE was one of the several reporting tools Management used, and pledged to be more balanced in future editions. Members expressed concern that the RIDE did not provide examples of partnerships with the private sector at national, regional, and international levels, given that partnerships was one of the priorities under IFAD10. They requested that the next RIDE report on progress made on implementing the strategy for engagement in countries with fragile situations and on partnership with the private sector, as well as RBA collaboration.
54. Finally, members welcomed Management's effort towards self-criticism in the 2017 RIDE, acknowledging that this augured well for learning from successful and less successful experiences.

Agenda item 8. Other business

55. The Chief, OPE, informed members of the launch of the Centers for Learning on Evaluation and Results (CLEAR) initiative that was now called the Programme in Rural M&E (PRIME), and was geared towards strengthening country level M&E capacity. The programme would be launched on 18 October 2017, and members were invited to participate.
56. On behalf of the Secretary of IFAD, a.i., the Chief, Governing Bodies, shared brief remarks on issues of importance to the Evaluation Committee arising from the third Executive Board retreat. One issue discussed at the retreat was how to strengthen subsidiary bodies and position them to play a more strategic role through their meetings and sessions, and their reports to the Board. The sessions of, and reporting by subsidiary bodies provided an opportunity for strategic guidance and input into Board deliberations and decision-making. Details were contained in the retreat matrix posted for the Board's approval at its 121st session.
57. The Committee, at its next session in October 2017, was invited to discuss what was meant by "strategic guidance" and the implications for the way the committee operates and its reporting procedures. Particularly, the following key points for discussion could be considered:
 - (a) Stock-taking of how subsidiary committees currently operate (rules of procedure, terms of reference, feedback from members and staff on what works well, and what could be improved); and
 - (b) Benchmarking of committee reporting procedures with those of other international financial institutions.

58. Based on the results of such discussions within the subsidiary committees, a discussion paper would be prepared for consideration at the fourth Executive Board retreat to be held in April 2018.
59. Given the limited timeline for preparation and clearance of the draft minutes of the ninety-eighth session, members agreed to provide comments within one day, so that the document would be shared with the Board for its 121st session.
60. The Chairperson thanked all participants for their contributions to the session's deliberations, and the interpreters and all support staff for a successful session.