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Investing in rural people

High-level Preview of IFAD's 2019 Results-based Programme of Work and Regular and Capital Budgets, and Preview of the Independent Office of Evaluation of IFAD's Results-based Work Programme and Budget for 2019 and Indicative Plan for 2020-2021

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Abbreviations and acronyms

FAO	Food and Agriculture Organization of the United Nations
ICO	IFAD Country Office
IOE	Independent Office of Evaluation of IFAD
OpEx	Operational Excellence for Results
PoLG	programme of loans and grants
UNDS	United Nations Development System

Executive summary

1. The implementation of the Eleventh Replenishment of IFAD's Resources (IFAD11) (2019-2021) begins in 2019. During this period, IFAD will continue to be guided by the IFAD Strategic Framework 2016-2025, with the overarching goal of inclusive and sustainable rural transformation. IFAD will seek to have a greater impact in agricultural development and play a larger role in meeting the priorities of the 2030 Agenda for Sustainable Development.
2. The IFAD11 Consultation was completed in February 2018, yielding clear strategic directions for IFAD over the next three years and beyond. This included a programme of business model enhancements aimed at ensuring excellence in operations, with a strong focus on value for money and a commitment to transparency, accountability and results.
3. 2018 has been an important year for defining and implementing reforms to enhance IFAD's capacity to deliver. Through the Operational Excellence for Results (OpEx) exercise and other corporate initiatives, actions have been undertaken aimed at: (i) re-engineering the country-based model; (ii) recalibrating business processes; (iii) delegating responsibility to the frontlines; (iv) making IFAD's headquarters fit for purpose; and (v) creating a results-based architecture.
4. 2019 will be a year of consolidation and increased delivery, leveraging the enhanced institutional platform provided by the strengthened network of decentralized hubs and IFAD Country Offices, and a headquarters that is being realigned and made fit for purpose.
5. One of the lessons learned from the changes and reforms over the past eighteen months is the potential benefit of a nimble unit constantly following up and monitoring the impact of these changes. IFAD needs such an agile unit which could act as a center of excellence and expertise, assisting all departments to embed a change culture, achieve better efficiency and effectiveness, and innovate in all areas of IFAD's business model. To meet this need Management intends to create a Change, Delivery and Innovation (CDI) unit.
6. A major thrust in 2019 will be on implementation of the roadmap for IFAD's financial strategy, drawing on the outcomes of the external assessment and recent Corporate-level Evaluation on IFAD's Financial Architecture by the Independent Office of Evaluation of IFAD (IOE) in order to meet the requirements for a strong and comprehensive financial architecture. In addition, reforms of non-operational areas will be undertaken and business process enhancement will continue along with preparations for increasing the mandatory age of separation to 65. IFAD is reinforcing its engagement with the United Nations Development System (UNDS) in order to leverage its position as a United Nations specialized agency more effectively.
7. Another related thrust will be around the Transition Framework and related initiatives which aim to foster more tailored engagement with partner countries through an enhanced package of financial instruments and tools, and lending and non-lending engagement, including Reimbursable Technical Assistance (RTA).
8. 2019 is also expected to be a significant year for IFAD's engagement with the private sector. A number of special initiatives, including the Agri-Business Capital Fund, are gaining momentum and attracting interest from a range of partners.
9. The 2019 programme of loans and grants (PoLG) is based on the new country selectivity criteria and the revised formula for the performance-based allocation system. As of the preparation of this preview, IFAD's projected PoLG for 2019 is US\$1.76 billion, plus approximately US\$75 million in IFAD-managed funds mobilized from other sources, for a total of at least US\$1.83 billion. IFAD expects

to attain its PoLG target of at least US\$3.5 billion for the IFAD11 period (2019-2021).

10. The primary cost drivers for 2019, identified as of the preparation of this preview, include: (i) additional staffing to complete the mapping and realignment of decentralized offices; (ii) the staff costs arising from proposed organizational changes; (iii) both real and price increases in IFAD's contribution to UNDS cost-sharing; (iv) depreciation and other recurrent expenses related to capital budgets; (v) other potential real increases; and (vi) price-related cost drivers.
11. For the high-level preview, identified and known cost increases have been included, while ballpark estimates have been provided for proposed new initiatives. To the extent possible, expected cost reductions that have been identified have been netted off from the total cost increases. Additional savings are anticipated to arise from business process changes, cost reductions and efficiency gains, and will be incorporated at the time of the final budget preparation.
12. Using the same euro-to-United States dollar exchange rate of 0.897:1 used for the 2018 budget, the proposed high-level net regular budget for 2019 is US\$159.29 million, representing a nominal increase of 2.4 per cent over 2018, which is in line with indicative budget increase for 2019 in the 2018 budget document. The real increase is estimated at 0.7 per cent while the price increase of 1.7 per cent is mainly derived from: the regular within-grade step increment increase of staff salaries; the price increase in the UNDS contribution; and inflation. The 2019 budget document will be prepared using the exchange rate determined using the approved methodology.
13. The gross budget for 2019 amounts to US\$163.79 million, including resources to manage operations funded by supplementary funds totalling US\$4.5 million (over and above the US\$159.29 million). This amount can be fully recovered from the annual allocable portion of the fee income generated from the management of supplementary funds. The Executive Board's endorsement will be sought for the proposed net regular budget of US\$159.29 million.
14. The total capital budget for 2019 is not expected to exceed much beyond US\$2 million. No additional funding of the one-time adjustment and capital budget for OpEx is required.
15. In accordance with regulation VII of the Financial Regulations of IFAD, medium-term budgetary projections on the basis of projected income flows from all sources, along with projected disbursements based on operational plans covering the same period, are shown in table 1. It should be noted that table 1 is indicative and for information purposes only. The numbers in this table have been tied to IFAD's financial statements and are projected on a cash-flow basis for consistency.

Table 1

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

	<i>Actual 2017*</i>	<i>Projected 2018</i>	<i>Projected 2019</i>
Resource balance carried forward at start of year	1 270	1 190	1 016
Inflows to IFAD			
Loan reflows	316	361	389
Investment income	35	9	6
Loans to IFAD	174	158	188
Supplementary fund fees	6	5	5
Subtotal	531	533	587
Outflows from IFAD			
Administrative and IOE budget	(152)	(157)	(160)
Other administrative expenses**	(4)	(10)	(8)
Capital budget	(4)	(2)	(2)
Debt service on loan to IFAD	(1)	(1)	(2)
Costs funded by supplementary fund fees	(6)	(5)	(5)
Subtotal	(167)	(175)	(177)
Net inflows/(outflows) to IFAD	364	358	411
Programme of work-related activities			
Contributions	378	223	576
Disbursements	(805)	(738)	(784)
Heavily Indebted Poor Countries Initiative impact	(17)	(17)	(17)
Subtotal	(444)	(532)	(225)
Net inflows/(outflows) on all activities	(80)	(174)	186
Resource balance brought forward at end of year	1 190	1 016	1 202

* Source for 2017: The Consolidated Financial Statements of IFAD as at 31 December 2017.

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

High-level Preview of IFAD's 2019 Results-based Programme of Work and Regular and Capital Budgets

I. Context

1. 2019 will be the first year of the Eleventh Replenishment of IFAD's Resources (IFAD11) (2019-2021). During this period, IFAD will continue to be guided by the IFAD Strategic Framework 2016-2025, with the overarching goal of inclusive and sustainable rural transformation. IFAD will seek to have a greater impact in agricultural development, especially in low-income countries and countries with fragile situations, and play a larger role in implementing the 2030 Agenda for Sustainable Development.
2. The IFAD11 Consultation was completed in February 2018, establishing clear strategic directions for IFAD over the next three years and beyond. The Consultation yielded an important package of business model enhancements aimed at ensuring excellence in operations, with a strong focus on value for money and a commitment to transparency, accountability and results. The Consultation also resulted in an agreement to expand the Fund's resources in order to reach a total programme of loans and grants (PoLG) of US\$3.5 billion for the IFAD11 period.
3. 2018 has been an important year for defining and implementing reforms to enhance IFAD's capacity for delivery, securing the funds required to finance the US\$3.5 billion IFAD11 PoLG and completing delivery of the IFAD10 PoLG, which lays the groundwork for IFAD11. Through the Operational Excellence for Results (OpEx) exercise and other corporate initiatives, a series of actions have been undertaken aimed at: (i) re-engineering the country-based model; (ii) recalibrating IFAD's business processes; (iii) delegating responsibility to the front lines; (iv) making IFAD's headquarters fit for purpose; and (v) creating a results-based architecture.
4. These initiatives will enhance IFAD's capacity as an assembler of development finance, able to consistently deliver a high level of PoLG, maintain the upward trend in disbursement, improve quality throughout the project cycle and strengthen country-level policy engagement. Through these actions, IFAD will increase its outreach to 120 million people by the end of 2021 and achieve greater impact across a range of Sustainable Development Goals. Significant progress has been made during 2018 in developing the structures and processes for decentralization to increase IFAD's country-level presence and operational excellence. A summary of OpEx progress is provided in section II.B.
5. 2019 will be a year of consolidation and increased delivery, leveraging the enhanced institutional platform provided by a strengthened network of decentralized hubs and IFAD Country Offices (ICOs), and headquarters which has been made fit for purpose. There will be a strong focus on ensuring tools, training, support and incentives are in place for the new country teams, as well as implementing the revised delegation of authority framework with an appropriate internal control framework, and putting the new project-design process into practice.
6. In addition, reform of corporate non-operations areas will be undertaken and business-process enhancements will continue in order to ensure efficient and effective support to decentralized office and headquarters functions, and prepare for increasing the mandatory age of separation to 65.
7. One of the lessons learned from the changes and reforms over the past eighteen months is the potential benefit in transforming the OpEx ad hoc and time bound mandate into a nimble unit constantly following up and monitoring the impact of

these changes and leading special initiatives. IFAD needs such an agile unit which could act as a center of excellence and expertise, assisting all departments to embed a change culture in their daily processes in a quest for better efficiency and effectiveness. Furthermore IFAD's business model calls for innovations such as new financial products, improved impact assessments, new partnership schemes, better use of technologies in its operations in rural areas, and innovative management techniques. To meet this need management intends to create a Change, Delivery and Innovation (CDI) unit. This unit will play a key role in ensuring that IFAD delivers on its IFAD11 commitments and targets.

8. A major thrust in 2019 will be the implementation of the roadmap for IFAD's financial strategy, drawing on the outcomes of the external assessment and the recent Corporate-level Evaluation on IFAD's Financial Architecture by the Independent Office of Evaluation of IFAD, in order to meet the requirements for a strong and comprehensive financial architecture. This will include: enhancing risk management; strengthening the financial architecture; and making preparations to ensure a strong credit rating. Later in 2019, Management will also begin preparing for the IFAD12 Consultation, which is expected to start in early 2020. A summary of progress in implementing the roadmap will be presented at that time.
9. Another related thrust will be around the Transition Framework and related initiatives which aim to foster more tailored engagement with partner countries through an enhanced package of financial instruments and tools and lending and non-lending engagement. Given Member States' increasing demands for IFAD's technical services, a unit dedicated to Reimbursable Technical Assistance (RTA) will also be established. This will strengthen IFAD's ability to deliver such services, provide the increasingly tailored support required by its Members.
10. IFAD is reinforcing its engagement with the United Nations Development System (UNDS) in order to more effectively leverage its position as a specialized United Nations agency which is aligned with the United Nations reform process, and strengthen collaboration with other United Nations entities. This will be achieved through decentralization and increased presence in regional hubs, as well as through the Americas Liaison Office which plays a key role in enabling IFAD to engage in global policy processes and operationalize the goals of United Nations reform.
11. 2019 is also expected to be a significant year for IFAD's engagement with the private sector. IFAD has fostered a number of initiatives over the past 18 months, including the Agri-Business Capital (ABC) Fund, which are now gaining momentum. Partners such as the European Union are expected to contribute. Given its leading role in establishing the ABC Fund, IFAD will also need to contribute in order to provide assurance to its partners. The amount and source of this funding are currently being assessed by Management.
12. The 2019 PoLG is based on: (i) the new country selectivity criteria established during the IFAD11 Consultation, which ensure strategic focus, absorptive capacity and ownership; and (ii) the revised performance-based allocation system formula, which provides a transparent allocation mechanism with a stronger focus on country poverty and vulnerability, and increases allocations to low-income countries. A planned higher PoLG level in the first year of IFAD11 will: respond to Member States' demands for IFAD's financing and support; enable IFAD to maximize utilization of available resources and delivery capacity; and allow IFAD to demonstrate its efficiency gains.
13. To summarise, IFAD's primary objectives for 2019 will be to: (i) achieve the planned PoLG with better and faster delivery, and improved project performance during implementation; (ii) implement IFAD's financial strategy through a more robust financial architecture; (iii) complete decentralization and enhance

institutional effectiveness and efficiency; and (iv) increase the visibility of IFAD's work.

14. In working towards these objectives, there will be particular focus on enhancing risk management, impact assessment, advancing collaboration among the Rome-based agencies and implementing the action plans for mainstreaming climate, gender, youth and nutrition through more transformative and integrated approaches. IFAD's greater decentralization and realigned organizational structure will also improve the Fund's positioning and outreach.
15. This is an ambitious agenda, which Management intends to deliver in a cost-effective manner by leveraging efficiencies and instituting cost-containment measures that return the overall level of budget growth to normal levels.

II. Current perspective

A. Update on 2018 programme of loans and grants

16. At the time of writing, the projected PoLG for 2018 is US\$1.12 billion, comprising an investment programme of approximately US\$1.06 billion in support of 29 new projects and additional financing for 11 ongoing projects.
17. By the end of September 2018, it is estimated that financing of US\$954 million will have been approved for 27 of these new projects and additional financing for six ongoing projects. The remaining two new projects and five additional financing proposals are at an advanced stage in the design process.
18. For IFAD's global, regional and country grant programme, it is expected that between 45 and 50 grants will be approved by the end of 2018 with an approximate value of US\$61 million.
19. By the end of 2018 – the last year of IFAD10 – a record PoLG of US\$3.258 billion is expected to be reached, exceeding the target set during the IFAD10 Consultation.
20. Portfolio. As of 23 July 2018, there are 257 projects in the current portfolio totalling US\$8.06 billion. The active grant portfolio comprises 202 grants valued at US\$309.36 million. Projected disbursements for the year are estimated at US\$738 million.

B. Summary update on OpEx

21. Decentralization and delegation of authority. The new decentralized map has been defined and is being implemented. The internal reassignment exercise has been completed and recruitment is now underway for remaining vacant positions in regional hubs and ICOs. Progress is also being made in the establishment and upgrading of ICOs and regional hubs, in accordance with the established metrics.
22. Delivery. The new business process for project design has been approved, introducing a risk-based approach that reduces the number of steps and requirements in the design process, and ensures enhanced quality and development effectiveness.
23. Disbursement. Under the Disbursement Action Plan, a set of coordinated actions are being undertaken to improve IFAD's disbursement performance, whilst also ensuring adequate controls. A number of these actions, including the project restructuring policy and financing instruments to facilitate implementation readiness, are expected to be in place in 2019.
24. Review of non-operations areas and business process changes. A review of IFAD's non-operations areas is currently underway. Following the review of the project-design process, changes are being considered to streamline travel, consultancy and support services.
25. A more detailed update on OpEx progress is provided in the OpEx information note (EB 2018/124/R.2). The expected outcomes of ongoing reviews and the

implementation schedule of further changes will be better known at the time of the final 2019 budget preparation, when an attempt will be made to capture some of the efficiency gains and savings.

C. 2017 and 2018 net regular budget usage

26. Actual expenditures against the 2017 regular budget amounted to US\$145.33 million or 97.3 per cent of the approved budget of US\$149.42 million. The slightly higher utilization (compared to 97.1 per cent in 2016) is primarily due to increased delivery costs for meeting 2017 PoLG targets and initial costs of OpEx and other new initiatives.
27. Based on current projections, utilization of the 2018 budget is expected to be US\$147.76 million or about 95 per cent.

Table 1

Regular budget utilization – actual 2016-2017 and forecast 2018
(Millions of United States dollars)

	2016 full year		2017 full year		2018 forecast	
	Budget	Actual	Budget	Actual	Budget	Forecast
Regular budget	146.71	141.75	149.42	145.33	155.54	147.76
Percentage utilization		96.6		97.3		95.0

28. The lower utilization estimate at this time arises mainly from a relatively lower fill-ratio. This is due to the newly created decentralized positions and the need to properly time the release of vacancies following completion of internal re-assignment exercises. Management is also exerting specific efforts to achieve savings and end the year with lower utilization by controlling costs and seeking efficiencies whilst ensuring delivery of the 2018 programme of work. The actual year-end utilization will depend on the outcomes of these efforts as well as other factors.
29. Management will request the use of savings from lower utilization (beyond the normal 3 per cent carry forward) to fund costs which could be required for new initiatives and to provide the necessary flexibility to fast-track the implementation of the increased mandatory age of separation. However, efforts to achieve lower utilization could be adversely affected by exchange rate movement during the rest of the year.
30. The expected year-end utilization presented in the final budget document will take into account the utilization of the budget as of September 2018 and a better estimate of expenditures for the rest of the year, adjusted for updated exchange rate information.

D. 2017 carry-forward allocation

31. 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 previous year's approved annual budget. Since the actual utilization for 2017 exceeded 97 per cent, the carry-forward amounted to US\$4.10 million (2.7 per cent of the 2017 budget) – less than the maximum of 3 per cent.
32. Of the total carry-forward from 2017, a first tranche allocation of US\$3.9 million was approved in accordance with the eligibility criteria and implementing guidelines. In addition, certain corporate priorities emerged during the mid-year budget review that met the eligibility criteria set for the use of 3 per cent carry-forward and the balance of the carry-forward funding has been allocated accordingly. As a result, there will be no further carry-forward for reprogramming during the second tranche. A table showing the use of the 3 per cent carry forward will be provided in the final budget document.

III. Gender sensitivity of IFAD's loans and budget

33. In 2019, IFAD will continue using the methodology developed to determine the gender sensitivity of IFAD loans and the distribution of the regular budget in terms of gender-related activities.
- (a) Gender sensitivity of IFAD loans and grants. An analysis was conducted of loans approved by the Executive Board in 2017. In line with an earlier commitment, a gender sensitivity analysis on grants was also undertaken. The findings of these analyses are reported in detail in the 2018 Report on IFAD's Development Effectiveness (EB 2018/124/R.13).
- (b) Gender sensitivity of IFAD's regular budget. The current approach of capturing forecasted gender-related and -supportive activities in the budget will be continued. This methodology has proven adequate for estimating the gender sensitivity of IFAD's regular budget within the currently available IT systems.
34. The findings of the gender-sensitivity analysis of the regular budget will be presented in the final budget document. The new budgeting software, which is expected to be in place for 2020 budget preparation, will enable more detailed analysis of the budget's gender sensitivity.

IV. IFAD's programme of work for 2019

35. 2019 is the first year IFAD11. It is therefore a pivotal year for establishing the IFAD11 programme of work.
36. At the time of writing this document, the PoLG for 2019 is planned at a record level of US\$1.76 billion, representing about 50 per cent of the IFAD11 target of US\$3.5 billion. In addition, IFAD will continue to make concerted efforts to supplement this core programme with approximately US\$75 million in IFAD-managed funds mobilized from other sources, bringing the total PoLG to US\$1.83 billion. IFAD is already organizing itself to deliver this ambitious agenda, including through deployment of dedicated staff to support the IFAD country teams and scaling up of its collaboration with the Food and Agriculture Organization of the United Nations (FAO) Investment Centre for enhanced delivery and quality of investment projects.

Table 2
Actual and projected PoLG
(Millions of United States dollars)

	<i>Actual^a</i>			<i>Forecast</i>	<i>Planned</i>	
	2014	2015	2016	2017	2018	2019
IFAD PoLG						
IFAD loans (including loan component grants) and Debt Sustainability Framework grants	713	1 293	775	1 264	1 058	1 701
IFAD grants	47	66	48	51	61	58
Total IFAD PoLG^b	760	1 359	823	1 315	1 119	1 759
Other funds under IFAD management	114	68	72	41	77	75
Total PoLG	874	1 427	895	1 357	1 196	1 834

^a Grants and Investment Projects System as of 25 July 2018. Current amounts reflect any increase or decrease in financing during implementation, including additional cofinancing.

^b Includes resources from the Adaptation for Smallholder Agriculture Programme (ASAP).

^c Other funds managed by IFAD include the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund), Global Environment Facility/Least Developed Countries Fund, Global Agriculture and Food Security Program, European Union funds, and the Green Climate Fund, in addition to bilateral supplementary/complementary grants.

37. Some 45 projects and programmes, including additional financing for four ongoing projects, are currently being prepared for approval during 2019. It is estimated that IFAD will provide approximately 51 per cent of the 2019 IFAD PoLG to sub-

Saharan Africa and 55 per cent to Africa as a whole, above the target levels of 45 per cent of core resources to sub-Saharan Africa and 50 per cent to Africa as a whole.

38. The number of global, regional and country grants in 2019 is estimated at between 40 and 50, totalling US\$58 million. The priority areas for IFAD's grant programme in 2019 are being determined and will be detailed in the final budget document.

V. 2019 net regular budget

A. Strategic workforce planning exercise

39. The strategic workforce planning exercise aims to ensure that IFAD's workforce is closely aligned with the Fund's needs and priorities in terms of numbers, competencies and skills. For 2019, the process has been adjusted to take into account the ongoing changes led by the OpEx exercise and the need for a harmonized approach to determining staffing needs and implementing changes.
40. The 2019 strategic workforce plan is focused on: (i) implementing decisions regarding staffing in ICOs and operational divisions in 2019, including adjustments required as an outcome of the 2018 re-assignment processes; (ii) implementing results of OpEx-led reviews of core, non-operations functions which aim to ensure that these areas are fit for purpose to support decentralization and IFAD's new business model (these reviews will include an analysis of key functions, benchmarking to industry standards and identification of cost-savings opportunities); and (iii) reassessments of existing positions.
41. The outcomes of the 2019 strategic workforce planning exercise, which will be provided in the final budget document, are expected to result in limited cost increases. These increases will be offset to the extent possible through reductions in staff and non-staff costs.

B. Cost drivers

42. The primary cost drivers identified as of the preparation of this preview can be grouped as follows:
 - (i) Additional staffing to complete the mapping and realignment of decentralized offices, and staff costs arising from proposed organizational changes;
 - (ii) Real increase in IFAD's contribution to UNDS cost-sharing;
 - (iii) Depreciation and other recurrent expenses related to capital budgets;
 - (iv) Other potential real increases; and
 - (v) Price-related cost drivers.
43. For the high-level preview, identified and known cost increases are included while ballpark estimates are provided for proposed new initiatives. To the extent possible, expected cost reductions that have been identified at this time have been netted off from the total cost increases.
44. The details of the cost drivers are as follows:
 - (i) Staff costs for completing decentralization and arising from proposed organizational changes. Additional staffing – primarily in ICOs – is required to complete the mapping and realignment of decentralized offices. This real increase will be offset by reductions in General Service positions at IFAD headquarters. Part of the staff costs related to proposed organizational changes have been included (pending final cost estimates at the time of the final budget preparation). The net cost increase is estimated at US\$500,000.
 - (ii) Real increase in IFAD's contribution to UNDS cost-sharing. IFAD's required contribution to the United Nations Development Operations Coordination Office will increase as a result of increased staffing in ICOs; this

real increase is estimated at US\$300,000. In addition, there will be a price increase of US\$700,000 as a result of the planned doubling of contribution rates (see para. 44(v)(b) below).

- (iii) Depreciation and other recurrent expenses related to capital budgets. Depreciation is estimated to increase by US\$300,000 in 2019. This is a result of capital expenditure from annual and regular capital budgets, the final phase of the IFAD Client Portal, and the remainder of the actions relating to corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations. A more detailed calculation, based on actual completion dates of capital projects, will be carried out at the time of the final budget preparation.
- (iv) Other potential real increases. In addition, several other priorities and initiatives are likely to result in increased real costs. These include costs related to: systematically undertaking impact assessments in line with the Development Effectiveness Framework; ensuring adequate resources for the IFAD11 mainstreaming themes, including recurrent costs of implementing the action plans for mainstreaming of climate, gender, nutrition and youth; and increasing recognition of IFAD's impact through broader outreach. These costs will be estimated and managed within the existing budget through reprioritization and cost-cutting measures. In all likelihood these costs will be offset by further real reductions in consultancy and travel, and lower design costs based on the new project design process. These real decreases will be estimated at the time of the detailed budget preparation.
- (v) Price-related cost drivers.
 - (a) Staff costs for the 2019 budget are based on the following assumptions:
 - No increase is expected in salaries in 2019 for either General Service or Professional staff. The International Civil Service Commission may make adjustments to salaries in countries where IFAD has offices. These will need to be factored in at the time of final budget preparation.
 - The normal within-grade step increment (WIGSI) will constitute a price increase of about US\$1.2 million. The step increase varies from 1.6 per cent to 3.2 per cent for Professional staff, and from 2.1 per cent to 4.2 per cent for General Service staff, depending on the grade level and step. However, this will be partly offset by proposed changes that will go into effect from January 2019 in relation to the education grant and the gradual lowering of the transition allowance. Tentatively, the impact of these changes is estimated at US\$250,000, thereby reducing the net impact of this increase to US\$950,000. In the final budget document, the estimate will be updated using actual staff costs and revised standard costs.
 - (b) As part of the reform of the United Nations Resident Coordinator system, it is proposed that United Nations agencies' cost-sharing contributions to United Nations development coordination activities be doubled. This is likely to constitute a price increase of approximately US\$700,000, with further real increases as indicated above.
 - (c) The inflationary adjustment for the 2019 budget will be based on the agreed-upon methodology, using specific inflation numbers for several line items and a weighted average of the world and Italian consumer price index for all other costs. Based on available data, the expected inflation rates are: 1.5 per cent for consultants; 1 per cent for travel; and a weighted average of 2.3 per cent for other costs. This is likely to

result in a price increase of about US\$1 million. This inflationary increase has been included in the preview estimates for travel and consultancy (see table 3). However in the final budget document, an attempt will be made to absorb the inflation price increases to the extent possible.

45. For the high-level preview, the EUR 0.897 to US\$1 exchange rate of the 2018 budget has been used. The 2019 budget document will be prepared using the exchange rate determined by the approved methodology (which is the average of the United Nations operational monthly rate from October 2017 to September 2018).
46. In accordance with normal practice, during the preparation of the final budget document, the cost of every expenditure will be estimated on the basis of: actual price increases (when available); negotiated prices for specific contracts; other price reduction factors; and application of the regular inflation rate. The cost implications of all these cost drivers, along with any new ones identified, will be determined during the preparation of the final budget proposal.

C. 2019 net regular budget proposal

47. The preview of the 2019 budget proposal includes current estimates for the cost drivers detailed above. All estimates, including exchange rate and inflation assumptions, will be reviewed and updated while preparing the final budget proposal in September 2018.
48. At this stage, the high-level net regular budget for 2019 is proposed at US\$159.29 million, representing a nominal increase of 2.4 per cent over 2018. This is in line with the indicative budget increase for 2019 in the 2018 budget document.
49. The real increase is estimated at about 0.7 per cent – primarily for: (i) the completion of position mapping within the new decentralized organizational structure; (ii) depreciation and recurrent costs associated with approved capital projects; and (iii) the real increase in the UNDS cost-sharing contribution. Efforts to incorporate impact assessment costs in the regular budget for the first time, and other potential real increases will be offset by: (i) the lower cost of new project-design processes which will impact both consultancy and travel costs; and (ii) the outcomes of OpEx exercise reforms, including review of corporate non-operations areas. In addition, other reductions will be made in the consultancy and travel budgets when the detailed budget preparation takes place.
50. The net price increase of 1.7 per cent is derived from staff salary increases, the price increase in the UNDS contribution and inflation. In the final budget document, inflation and other price increases will be absorbed to the extent possible. However, if there is an unfavourable exchange rate movement, it may not be possible to absorb the associated price increase within the currently proposed budget.
51. At this time, the EUR:US\$ exchange rate is lower than the rate used for the 2018 budget. If the current trend of the euro weakening continues, it is anticipated that the exchange rate at the time of final budget preparation will be closer to the 2018 budget exchange rate. Nevertheless, it will still be lower than the rate used for 2018 and will therefore have an impact on the 2019 budget. The possible impact could be around US\$3 million. In 2016, the budget was reduced to reflect savings from exchange-rate movements in the opposite direction; as a result, the 2016 budget was significantly lower than the 2015 budget in United States dollar terms. At the time of final budget preparation, an attempt will be made to offset any exchange rate-related increase through cost savings in order to contain the overall projected budget growth to a minimum.

52. In the final budget document, the costs of each line item will be reviewed and refined to reflect real and price-related increases, and adjusted for the 12-month average exchange rate for euro-denominated expenses. The feedback provided by the Audit Committee and the Executive Board on this high-level preview will also be taken into account.
53. Table 3 provides a comparison of the 2018 approved budget and the 2019 high-level budget proposal.

Table 3

Net regular budget – staff and non-staff costs, 2018 and 2019

(Millions of United States dollars)

<i>Cost category</i>	<i>Approved 2018</i>	<i>Proposed 2019</i>
Staff	90.16	91.61
Consultants	24.11	24.47
Duty travel	9.97	10.07
ICT non-staff costs	5.24	5.54
Other	26.06	27.60
Total	155.54	159.29

D. 2019 gross budget proposal

54. 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 partnerships involves additional incremental costs for IFAD in design, implementation, supervision and administration. These costs are usually funded from management-fee income through the supplementary fund agreement and are currently estimated at US\$4.5 million.
55. The gross budget includes the net regular budget as well as resources required to administer and support incremental work related to supplementary funds. The work 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 workload related to supplementary funds do not affect the regular budget on a yearly basis. Only incremental costs to support supplementary fund-related activities for the ASAP, the European Union and the Spanish Trust Fund are included in the gross budget.
56. Management is currently updating IFAD's guidelines on cost recovery from supplementary funds. The new guidelines will aim for greater harmonization with other international financial institutions and United Nations agencies while supporting IFAD's resource-mobilization goals and ensuring cost recovery in line with Governing Council resolutions.
57. The above estimate will be subject to review prior to finalization of the gross budget proposal for inclusion in the final budget document. The amount can be fully recovered from the annual allocable portion of the fee income generated from the management of supplementary funds. Consequently, the current estimate of the gross budget is US\$163.79 million, which includes resources to manage the operations financed by supplementary funds. Endorsement is being sought only for the proposed net regular budget of US\$159.29 million.

Table 4
Indicative gross and net budget for 2019
(Millions of United States dollars)

<i>Cost category</i>	<i>Approved 2018</i>	<i>Proposed 2019</i>
Gross budget	160.34	163.79
Costs to support supplementary fund activities	(4.80)	(4.50)
Net budget	155.54	159.29

E. Capital budget for 2019

58. As in prior years, the capital budget will be split into two categories: (i) an annual capital budget to cover capital expenditures that are cyclical or regular, and have an economic life of more than one year (e.g. normal replacement of computers and vehicles in ICOs); and (ii) a capital budget to fund major IT (if any) and other investment projects, subject to available capacity to undertake additional projects.
59. Capital budget proposals for 2019 are currently being prepared. As in previous years, priority will be given to completing the IFAD Client Portal and projects within the OpEx capital budget. Once the list of regular and cyclical capital projects is cleared by the IT Governance Committee, the total capital budget for 2019 is not expected to exceed far beyond US\$2 million.

F. One-time adjustment and capital budget for OpEx

60. No additional funding for the one-time adjustment and capital budget for the OpEx exercise is required. A progress report along with an update on the utilization of this budget will be provided in the final budget document.



Preview of the Results-based Work
Programme and Budget for 2019, and
Indicative Plan for 2020-2021 of the
Independent Office of Evaluation of IFAD

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Abbreviations and acronyms

ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CSPE	country strategy and programme evaluation
DMR	divisional management results
ECD	evaluation capacity development
ECG	Evaluation Cooperation Group
ESR	evaluation synthesis report
FAO	Food and Agriculture Organization of the United Nations
IE	impact evaluation
OMC	Operations Management Committee
OSC	Operational Strategy and Policy Guidance Committee
PCR	project completion report
PCRv	project completion report validation
PoLG	programme of loans and grants
PPE	project performance evaluation
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
UNEG	United Nations Evaluation Group
WFP	World Food Programme

Preview of the Results-based Work Programme and Budget for 2019, and Indicative Plan for 2020-2021 of the Independent Office of Evaluation of IFAD

I. Introduction

1. This document provides a preview of the results-based work programme and budget for 2019, and indicative plan for 2020-2021 of the Independent Office of Evaluation of IFAD (IOE). It was informed by extensive consultations carried out by IOE with IFAD's governing bodies and Management.
2. IOE's strategic mission and vision, which are anchored to IFAD's strategic vision 2016-2025, provide the framework for IOE priorities and activities for the coming year (see box 1). It is important to highlight that the mission and vision statements contained in box 1 cover the period from 2016 through 2018. IOE reconfirms its strategic framework for 2019 in view of the outcomes of the external peer review of IFAD's evaluation function, which will be finalized in 2019. Consequently, IOE will also retain its strategic objectives for 2016-2018 (see section III).

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.

3. As in the past, this document is "based on a critical assessment of needs, rather than simply using the current budget as a baseline".¹ It illustrates the linkages between IOE's work programme and expenditures, and details the breakdown of budgeted costs – particularly non-staff costs – including those for consultants. In addition, the document provides details of actual expenditures for 2017, budget utilization up to June 2018 and a current estimate of expected 2018 year-end utilization.
4. In line with the IFAD Evaluation Policy,² the IOE budget is developed independently of IFAD's administrative budget.³ Yet 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 2019.

II. Current perspective

A. Highlights of 2018

5. IOE expects to implement all activities planned in the 2018 work programme by the end of the year. Selected achievements to date include:
 - Undertaking of the corporate-level evaluation (CLE) on IFAD's engagement in pro-poor value chain development. The evaluation has two objectives: (i) to provide an assessment of IFAD's performance in supporting the development of pro-poor value chain development, and how this work has contributed to achieving IFAD's mandate of rural poverty

¹ See the minutes of the 107th session of the Executive Board, para. 29.

² See IFAD Evaluation Policy (<https://webapps.ifad.org/members/eb/102/docs/EB-2011-102-R-7-Rev-3.pdf>).

³ See IFAD Evaluation Policy, para. 38: "The levels of the IOE component and IFAD's administrative budgets will be determined independently of each other".

reduction and inclusive and sustainable rural development; and (ii) to identify opportunities for improvement and make recommendations to enhance IFAD's approach to value chain development as a means for rural development and poverty reduction. The approach paper⁴ for the CLE was presented to the Evaluation Committee in March 2018 and finalized when comments by Committee members were incorporated. The evaluation is now in progress.

- External peer review of IFAD's evaluation function. The approach paper of the external peer review of IFAD's evaluation function was prepared by the Evaluation Cooperation Group (ECG) and comments were elicited from IOE and IFAD Management. Preparation of the self-assessment is ongoing.
 - Finalization of country strategy and programme evaluations (CSPEs). National roundtable workshops (NRTWs) for Cambodia, Cameroon and Peru took place at the beginning of the year. The NRTW for Angola took place in May. The Cambodia and Georgia CSPEs were discussed at the March session of the Evaluation Committee while the CSPEs for Cameroon and Peru were presented at the June session. The 2018 CSPEs are being implemented as planned.
 - The impact evaluation (IE) of the Smallholder Horticulture Marketing Programme in Kenya is ongoing and the report will be presented at the October session of the Evaluation Committee. The project selected for the 2018-2019 IE is the Food Security and Development Support Project in the Maradi Region (PASADEM) in Niger.
 - An international conference, Rural inequalities: evaluating approaches to overcome disparities, was held on 2 and 3 May at IFAD headquarters. The conference explored whether strategies and programmes that aim to eradicate rural poverty reduce disparities within rural areas. This conference featured five panel sessions, 15 breakout sessions and 59 speakers. More than 200 participants from all over the world attended the conference, sharing new experiences and knowledge. It allowed for a discussion of the importance of staying ahead of the innovation curve by capturing inequalities and their implications on the evaluation functions in international organizations.
6. Reporting. The 2016-2018 Results Measurement Framework, IOE's monitoring and reporting framework for that period, is included in annex I. Progress in implementing planned evaluation activities for 2018 is summarized in table 1 of annex II. Table 2 of annex II includes a summary of progress made to June 2018 in meeting the targets for each of the Results Measurement Framework's key performance indicators. The data reveal that the activities are on track.

⁴ See <https://webapps.ifad.org/members/ec/100/docs/EC-2018-100-W-P-6-Rev-1.pdf>.

B. 2018 budget utilization

7. Table 1 reports IOE budget utilization in 2017 and up until June 2018, as well as the year-end projection.

Table 1

IOE budget utilization in 2017 and projected utilization in 2018

<i>Evaluation work</i>	<i>Approved budget 2017</i>	<i>Budget utilization 2017</i>	<i>Approved budget 2018</i>	<i>Commitment as of June 2018</i>	<i>Expected utilization as of year-end 2018</i>
Non-staff costs					
Staff travel	440 000	354 095	460 000	242 420	440 000
Consultant fees	1 400 000	1 437 865	1 400 000	1 132 469	1 400 000
Consultant travel and allowances	380 000	324 708	380 000	233 684	380 000
In-country CSPE learning events	45 000	38 715	45 000	1 784	45 000
Evaluation outreach, staff training and other costs	225 861	315 320	220 390	109 558	220 390
Subtotal	2 490 861	2 470 703	2 505 390	1 719 915	2 505 390
Staff costs	3 235 056	3 078 504	3 307 259	3 138 646	3 200 086
Total	5 725 917	5 549 207	5 812 649	4 858 561	5 705 476
Utilization (percentage)		96.9		83.5	98
External peer review (2018 portion of the total cost)			100 000	21 053	
Total 2018 budget			5 912 649		

* Based on committed staff costs adjusted for exchange rate up to mid-June 2018.

8. Total expenses against IOE's 2017 budget amounted to US\$5.5 million – equal to 96.9 per cent utilization. The slightly lower-than-expected utilization rate 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, as well as from a P-5 position remaining vacant until November 2017. Some of these cost savings were used to undertake additional outreach in order to ensure wider dissemination of evaluation lessons and training programmes during the year.
9. Against an approved budget of US\$5.8 million for 2018, utilization (in terms of commitments) as of mid-June 2018 stood at US\$4.85 million, or 83.5 per cent. High utilization for this time of year was mainly caused by the full-year commitment of staff costs, which is in line with IFAD's established practice, as well as high utilization of consultancy fees and travel costs for staff and consultants in the first part of the year. This is also in line with the normal business cycle since most evaluations are launched in the first part of the year. The 2018 budget utilization as of mid-June did not include the cost of national roundtable workshops to be organized towards the end of the year, or contracting for primary data collection related to the 2018 IE, which IOE has planned for September. Overall utilization of the total 2018 IOE budget at year end is currently projected at US\$5.7 million, representing 98 per cent of the approved budget.

C. Utilization of the 2017 carry-forward

10. 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.
11. The IOE 3 per cent carry-forward from 2017 amounted to US\$170,083. Part of these funds have been allocated towards the following activities:
- Development, editing and publication of IOE books. The first book, "Evaluation for Inclusive and Sustainable Rural Transformation", examines

how evaluation practice has evolved to reflect, respond to and inform changing expectations of development assistance. It also reveals how evaluation products and methodologies have progressively strengthened IFAD's capacity to assess its operations and better understand its results. The book concludes with reflections on the challenges that lie ahead, including how IFAD's independent evaluation function can continue to evolve to meet future challenges and enhance the impact of development initiatives on people's lives. The second book, "Information and Communication Technologies for Development Evaluation" is based on the international conference organized by IOE in 2017. In addition, IOE is exploring the possibility of using innovative tools to ensure that the findings and lessons from evaluations reach beneficiaries (e.g., radio and podcasts).

- (ii) Funds were allocated towards the editing, translation and publication of the Angola CSPE report.
- (iii) Contributed to the secretariat of the Rome-based agency (RBA) "Eval Forward – Evaluation for Food Security, Agriculture and Rural Development" community of practice, and supported its operation.

III. IOE strategic objectives

- 12. As agreed with the Executive Board in December 2013, IOE aligns its strategic objectives (SOs) with IFAD replenishment periods to ensure a more coherent link between IOE's SOs and corporate priorities. The following were proposed for 2016-2018 (the Tenth Replenishment of IFAD's Resources [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.
- 13. These two SOs should allow IOE to achieve the overarching goal set for independent evaluation: to promote accountability and foster learning for improved performance of IFAD-supported operations. IOE will retain these SOs until 2019.

IV. 2019 work programme

- 14. This section provides an overview of IOE's main evaluation activities for 2019. Consultations with IFAD Management and governing bodies highlighted the need to undertake a CLE on IFAD's support to innovation and productivity growth for inclusive and sustainable smallholder agriculture. This CLE will look at IFAD's role in: (i) strengthening internal capacity to identify innovations that respond to productivity; (ii) social and environmental constraints faced by rural people; (iii) incorporating and testing innovations within projects; (iv) learning from these innovations; and (v) scaling up successes for expanded and sustainable impact. It will also look at IFAD's role in supporting countries' efforts to scale up successful pro-poor rural development models, widen their geographical coverage and reach larger numbers of people.
- 15. The aim of CSPEs is to assess the results and impact of partnerships between IFAD and governments in reducing rural poverty, and provide building blocks for the preparation of an IFAD country strategy in each country following completion of the CSPE. In 2019, IOE will complete the CSPEs begun in 2018 in Mexico and Sri Lanka. Based on thorough consultations with IFAD Management, IOE plans to launch five new CSPEs in El Salvador, Madagascar, Nepal, Sierra Leone and Sudan.

16. Next year, IOE will finalize the 2018 IE in Niger and launch an additional IE.⁵ IEs conducted by IOE were not included in the set of evaluations undertaken by IFAD Management in the IFAD9 and IFAD10 periods. IOE's main objectives in conducting IEs are to test innovative methodologies and processes for assessing the results of IFAD operations more rigorously, and contribute to ongoing dialogue on IE.
17. Evaluation synthesis reports (ESRs) are largely based on existing evaluation evidence and serve to consolidate lessons and good practices that can inform the development and implementation of IFAD policies, strategies and operations. IOE proposes to reduce the number of ESRs from two to one in 2019 based on the rationale outlined in the resource envelope section of the preview document. IOE will complete the 2018 ESR on technical innovations and conduct a new ESR on IFAD's approaches and contributions to community-based rural development. Selected CSPEs, project-level evaluations and IEs provide an adequate evidence base on the topic.
18. Following current practice, IOE will validate all project completion reports (PCRs) and conduct eight project performance evaluations (PPEs) on selected projects. The objectives of PPEs are to: (i) assess the results of the projects; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluation. They also serve as critical inputs for the CLEs, CSPEs and the Annual Report on Results and Impact of IFAD Operations (ARRI).
19. The proposed number of PPEs affords IOE wide coverage of IFAD operations in all regions, helping to strengthen IFAD's broader accountability framework. This is fundamental since most of IFAD's development resources are channeled to developing Member States through investment projects and programmes.
20. Pursuant to the Evaluation Policy, IOE will prepare the 2019 ARRI, the Fund's flagship evaluation report. As in previous years, the ARRI will include a detailed analysis and a dedicated chapter on a major learning theme. The proposed 2019 learning theme will be included in the next version of the results-based programme of work and budget following the presentation of the 2018 ARRI at the September session of the Executive Board.
21. IOE will also support selected recipient countries in evaluation capacity development (ECD) activities, with the aim of building institutional capacity to evaluate public policies and programmes for rural poverty reduction. It will also continue to engage in the Centers for Learning on Evaluation and Results (CLEAR) initiative on impact evaluation, with a view to building capacity among project staff and other personnel in-country.
22. There will be an increased focus on strengthening partnerships with the other RBAs. The RBAs' evaluation offices will continue to collaborate in the Eval Forward – Evaluation for Food Security, Agriculture and Rural Development community of practice, which includes international organizations, academia, the private sector, governments and NGOs. The aim of this community of practice is to exchange knowledge and experience that enhances the evaluations of projects and programmes focused on agriculture, food security and rural development. Moreover, IOE and the Office of Evaluation of the Food and Agriculture Organization of the United Nations (FAO) will exchange data and information, and organize a joint national roundtable workshop in the context of the CSPE in El Salvador.
23. IOE will ensure timely, customized dissemination and outreach of results and lessons to key audiences. It will present all CLEs, the ARRI, selected CSPEs and

⁵ A programme will be chosen for the IE in the first half of 2019.

other documents to the Evaluation Committee and the Executive Board. It will also present impact assessments and ESRs to the Evaluation Committee, and if requested, to the Board.

24. As per established practice, IOE will prepare written comments on new country strategic opportunities programmes (COSOPs) that have been preceded by CSPEs and are presented for consideration by the Executive Board. In line with the Evaluation Policy, IOE will provide written comments on new corporate policies and strategies that have been informed by major CLEs. Finally, the ECG will complete an external peer review of IFAD's evaluation function in 2019.
25. Table 2 summarizes the evaluation activities planned by IOE in 2019. The proposed list of IOE evaluation activities for 2019 is shown in table 1 of annex III and the indicative plan for 2020-2021 is presented in table 2 of that annex. The selection and prioritization of independent evaluations is facilitated by the use of a selectivity framework (annex VI), which is instrumental in enhancing transparency in developing the divisional work programme.

Table 2
Evaluation activities planned by IOE for 2019

<i>Strategic objectives</i>	<i>Divisional management results (DMRs)</i>	<i>Outputs</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	CLE on IFAD's support to innovation and productivity growth for inclusive and sustainable smallholder agriculture 17th ARRI Comments on the Report on IFAD's Development Effectiveness (RIDE), President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), selected COSOPs and corporate policies and strategies, including comments on upcoming IFAD corporate strategies and policies
	DMR 2: Country strategies/COSOPs are enhanced through country-level evaluations	CSPEs in El Salvador, Madagascar, Nepal, Sierra Leone and Sudan
	DMR 3: Systemic issues and knowledge gaps in IFAD are addressed	ESRs: Complete the 2018 ESR on technical innovations and conduct a new ESR on IFAD's approaches and contributions to community-based rural development
	DMR 4: IFAD-supported operations are improved through independent project evaluations	8 PPEs All PCRs available in the year validated
SO2: Promote evaluation-based learning and an enhanced results culture for better development effectiveness	DMR 5: Evaluation manual is implemented and new evaluation methods and products are piloted	Project IE completed and a new IE started Contribution to in-house and external debates on IEs
	DMR 6: Awareness and knowledge of evaluation-based lessons and quality of products are enhanced and increased	One learning theme in the context of the 2019 ARRI 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, ARRI) to share lessons and good practices Partnerships with ECG, United Nations Evaluation Group (UNEG) and RBAs
	DMR 7: Evaluation capacity development in partner countries	ECD engaged in thorough seminars and workshops on evaluation methodology and processes in the context of: (i) regular evaluations (e.g. ongoing CSPEs or PPEs); (ii) the CLEAR initiative; and (iii) upon request, in countries where IOE is not undertaking evaluations

<i>Strategic objectives</i>	<i>Divisional management results (DMRs)</i>	<i>Outputs</i>
Strategic objectives 1 and 2	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured*	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 such as the Operational Strategy and Policy Guidance Committee (OSC), Operations Management Committee (OMC), IFAD Management Team meetings, country programme management team meetings and selected learning events

* Several outputs contribute to DMR 8, which cuts across both strategic objectives.

V. 2019 resource envelope

A. Staff resources

26. IOE's staff requirements are based on a comprehensive annual strategic workforce planning exercise, which confirmed that the office should be in a position to deliver all planned activities in a timely manner with its current staffing level (see annex IV).

B. Budget requirements

27. This section outlines IOE budget requirements. The proposed budget is presented by type of activity, strategic objective and category of expenditure. Each table includes both the 2018 approved budget and the proposed budget for 2019, facilitating a comparison between the two years. Table 6 also contains the IOE gender-sensitive budget, which identifies the budget distribution for gender-related activities.
28. Assumptions. As in the past, the parameters used to develop the proposed 2019 budget are the same as those used by IFAD Management in developing IFAD's administrative budget. They are currently as follows: (i) no increase in the salaries of professional and general service staff anticipated for 2019, so the same 2018 standard costs were used, adjusted for the euro/United States dollar exchange rate; (ii) inflation will be absorbed to the greatest extent possible; and (iii) an exchange rate of US\$1 = EUR 0.897.
29. Budget by type of activity. Table 3 displays the proposed IOE 2019 budget by type of activity. IOE will apply the same methodological rigour and internal preparation of its evaluation products without increasing the cost of the individual evaluations compared to 2018. IOE proposes to keep the total number of PPEs at eight and reduce the number of ESRs from two to one in 2019 in order to ensure that enough staff time is devoted to the external peer review of IFAD's evaluation function. The increase in knowledge, communication and outreach costs reflects the editing needs of high-level evaluations to guarantee the quality of these reports.

Table 3
Proposed budget for 2019 by type of activity*

<i>Type of activity</i>	<i>Approved 2018 budget (US\$)</i>	<i>Absolute number 2018</i>	<i>Level of effort 2018</i>	<i>Proposed 2019 budget (US\$)</i>	<i>Absolute number 2019</i>	<i>Level of effort 2019</i>
Non-staff costs						
ARRI	80 000	1	1	80 000	1	1
CLEs	430 000	2	1	430 000	2	1
CSPEs	1 000 000	7	5.2	1 000 000	7	5.2
ESRs	110 000	2	2	55 000	1	1
PPEs	320 000	8	8	320 000	8	8
PCRVs	30 000	30	30	30 000	30	30
IEs	200 000	2	1	200 000	2	1
Knowledge-sharing, communication, evaluation outreach and partnership activities	200 000			260 000		
ECD, training and other costs	135 390			135 390		
Total non-staff costs	2 505 390			2 510 390		
Staff costs	3 307 259			3 381 614		
Total	5 812 649			5 892 004		
External peer review	100 000			200 000		
Total 2019 budget	5 912 649			6 092 004		

A more detailed explanation of the breakdown is given in annex V, table 2.

* Based on cumulative experience and historical figures, 140 person (staff) days are allocated for conducting a CLE, 130 days for a CSPE, 40 days for an ESR, 80 days for an IE, 50 days for a PPE and 11 days for a project completion report validation (PCRv). These figures were used to estimate the level of effort by type of activity, as shown.

30. The 2019 budget proposal includes a request for approval of a below-the-line cost allocation of US\$200,000 for the external peer review of IFAD evaluation function in 2019.
31. Budget by category of expenditure. Table 4 shows the proposed budget for 2019 by expenditure category. Of the non-staff budget, 55 per cent is allocated to consultancy fees to support evaluation work – the same proportion of total non-staff costs allocated in 2018. With regard to consultants, IOE is continuing its efforts to ensure adequate gender and regional diversity across all evaluation types. Preference is given to hiring consultants from the country or region in which an evaluation is planned, especially for PPEs, CSPEs and country visits undertaken in the context of CLEs and the preparation of ESRs. Moreover, IOE is absorbing the costs of in-country CSPE learning events within other expenditure categories. Finally, the increase in the budget for evaluation outreach, staff training and other costs reflects editing needs for these reports, as explained in paragraph 29.

Table 4
Proposed budget for 2019 by category of expenditure

<i>Category of expenditure</i>	<i>Approved 2018 budget</i>	<i>Proposed 2019 budget</i>
Non-staff costs		
Staff travel	460 000	460 000
Consultant fees	1 400 000	1 400 000
Consultant travel and allowances	380 000	380 000
In-country CSPE learning events	45 000	-
Evaluation outreach, staff training and other costs	220 390	270 390
Total non-staff costs	2 505 390	2 510 390
Staff costs	3 307 259	3 381 614
Total	5 812 649	5 892 004
External peer review	100 000	200 000
Total 2019 budget	5 912 649	6 092 004

32. Staff travel, consultants' fees, allowances and travel expenses will remain at the same. As in the past, a small allocation is proposed for staff training, which is crucial for continuous professional development. The higher total staff costs include a "cushion" to absorb unforeseen expenses such as maternity leave and prolonged sick leave, which is required since IOE does not benefit from the IFAD buffer for such expenses given the independent nature of its budget.
33. Budget by strategic objective. Table 5 shows the allocation of the total IOE proposed budget for 2019, including both staff and non-staff costs, against IOE's SOs. The greatest amount is allocated to SO1 since a large part of IOE's consultancy resources are allocated to activities contributing to this objective (including CLEs, CSPEs and PPEs). Many of the activities undertaken towards this objective also contribute to SO2 by promoting evaluation-based learning and an institutional-results culture. For example, in-country workshops at the end of CSPEs – which are included in the SO1 budget – provide a unique opportunity to exchange lessons learned and good practices with policy and decision makers, IFAD operations staff and other stakeholders.

Table 5
Proposed 2019 budget allocation by strategic objective

<i>Strategic objective</i>	<i>Approved 2018 budget</i>		<i>Proposed 2019 budget</i>	
	<i>Amount (US\$)</i>	<i>%</i>	<i>Amount (US\$)</i>	<i>%</i>
SO1: Generate evidence through independent evaluations of IFAD's performance and results to promote accountability	4 031 596	69	4 016 383	68
SO2: Promote evaluation-based learning and an enhanced results culture for better development effectiveness	1 462 348	25	1 521 318	26
Joint SO1 and SO2	318 705	6	354 303	6
Total	5 812 649	100	5 892 004	100
IOE peer review	100 000		200 000	
Total budget	5 912 649		6 092 004	

Note: percentages are rounded up.

34. Gender-sensitive budget. IOE's methodology for constructing a gender-sensitive budget entails determining the proportion of staff and non-staff costs devoted to analysing and reporting on gender issues in its evaluations. It is important to note that IOE has a dedicated criterion on gender equality and women's empowerment that is applied in all ARRIs, CSPEs, PPEs, PCRVs and IEs. Attention is also paid to gender issues in other evaluations such as CLEs and ESRs. Finally, extensive primary data on women-headed households and women beneficiaries is collected in

the context of IEs. Table 6 shows that 7.2 per cent of the total proposed IOE budget for 2019 is directly allocated to the examination of gender issues.

Table 6
IOE 2019 gender-sensitive budget

<i>Type of activity</i>	<i>Proposed 2019 budget</i>	<i>Gender component (percentage)</i>	<i>US\$</i>
Non-staff costs			
ARRI	80 000	10	8 000
CLEs	430 000	10	43 000
CSPEs	1 000 000	10	100 000
ESRs	55 000	5	2 750
PPEs	320 000	7	22 050
PCRVs	30 000	5	1 500
IEs	200 000	15	30 000
Knowledge sharing, communication, evaluation outreach and partnership activities	260 000	4	10 400
ECD, training and other costs	135 390	5	6 770
Total non-staff costs	2 510 390	8.9	224 470
Staff costs			
Gender focal point	165 683	20	33 056
Alternate gender focal point	105 552	10	10 555
All evaluation officers	3 215 931	5	160 796
Total staff costs	3 381 614	6	204 407
Total	5 892 004	7.2	428 877

VI. IOE budget proposal

35. The proposed 2019 budget totals US\$6.09 million, which includes US\$200,000 for the 2019 portion of the total cost of the IOE peer review. Excluding this below-the-line cost allocation, the total budget is US\$5.89 million, representing a 1.37 per cent increase from the 2018 approved budget of US\$5.81 million.
36. The proposed 2019 IOE budget represents 0.3 per cent of IFAD's expected programme of loans and grants (PoLG) for next year,⁶ which is below the IOE budget cap of 0.9 per cent adopted by the Executive Board.⁷ An overview of IOE's proposed budget, including historical trends since 2012, is shown in annex V, table 1.

⁶ It is anticipated that IFAD will commit approximately US\$1.6 billion in new loans and grants in 2019.

⁷ This decision was made by the Executive Board in December 2008.

IOE Results Measurement Framework for 2016-2018 (extended to 2019)

<i>Strategic objectives</i>	<i>Divisional management results (DMRs)</i>	<i>Key performance indicators</i>	<i>Baseline 2011</i>	<i>Target (per year)</i>	<i>Means of verification</i>
Strategic objective 1: 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				
Strategic objective 2: 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)	IEs
	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	70	
		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	5	
		7. Number of page views for IOE reports	n/a	55 000	
	DMR 7: Evaluation capacity development (ECD) in partner countries	8. Number of people receiving IOE newsletters	n/a	2 500	
		9. Number of ECD seminars/workshops organized in partner countries	1	1	IOE records
		10. Number of events attended by IOE staff related to self-evaluation and ECD	n/a	3	
	Strategic objectives 1 and 2	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured	11. Budget cap	< 0.9% of IFAD PoLG	< 0.9% of IFAD PoLG
12. Ratio of professional to general service staff			n/a	1:0.46	
13. Budget execution rate at year end			n/a	97%	
14. Execution rate of key evaluation activities			n/a	95%	

IOE reporting on achievements

Table 1
Reporting on IOE planned activities (January to mid-June 2018)

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
1. CLEs	IFAD's financial architecture	Completed in May 2018	Completed. The final report was completed in April 2018 for presentation to the Evaluation Committee in June 2018 and the Executive Board in September 2018.
	IFAD's engagement in pro-poor value chain development	To be completed in mid-2019	Ongoing. Approach paper finalized and discussed at the March 2018 session of the Evaluation Committee. Country visits will take place between May and September 2018.
	Angola	Completed in May 2018	Completed. Report finalized in April 2018. National in-country workshop held in Luanda on 22 May 2018. Draft agreement at completion point signed.
	Burkina Faso	To be completed in December 2018	Ongoing. Approach paper finalized. Main mission completed in May 2018. National workshop planned for October 2018.
	Cambodia	Completed in February 2018	Completed. National workshop held in January 2018. Final report presented to the Evaluation Committee in March 2018 together with the signed agreement at completion point.
	Cameroon	Completed in February 2018	Completed. National workshop held in February 2018. The final report was completed in February 2018 for presentation to the Evaluation Committee in June 2018 together with the signed agreement at completion point.
2. CSPEs	Georgia	Completed in early 2018	Completed. Final report presented to the Evaluation Committee in March 2018.
	Kenya	To be completed in December 2018	Ongoing. Main mission conducted in June 2018. National workshop planned for mid-November 2018.
	Mexico	To be completed in April 2019	Ongoing. Approach paper finalized. Main activities planned for the period August-November 2018. National workshop planned for early 2019.
	Peru	Completed in February 2018	Completed. National roundtable workshop held in February 2018. Final report presented to the Evaluation Committee in June 2018.
	Sri Lanka	To be completed in April 2019	Ongoing. Main mission conducted June 2018. National workshop planned for March 2019.
	Tunisia	To be completed in December 2018	Ongoing. Main mission completed in April 2018. National workshop planned for October 2018.
3. PCRVs	Validation of all PCRs available within the year	To be completed in December 2018	Progressing as planned.
4. PPEs	Eight PPEs	To be completed by December 2019	All PPEs completed or ongoing according to schedule.
5. IEs	Kenya – Smallholder Horticulture Marketing Programme	To be completed in July 2018	Ongoing. Draft report being prepared and will be finalized in July 2018.
	One new IE: Niger – Food Security and Development Support Project in the Maradi Region (PASADEM)	To be completed in June 2019	Starting in July 2018 as planned.

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
6. Engagement with governing bodies	16 th ARRI	To be completed in July 2018	Ongoing. Draft report will be shared with Management for comments in June 2018. The final report will be discussed by the Evaluation Committee and Executive Board in September 2018, including the learning theme on targeting strategies to reach rural poor people. Learning event planned for 26 October 2018.
	Review of the implementation of IOE's results-based work programme for 2018 and indicative plan for 2019-2020, and preparation of the results-based work programme and budget for 2019 and indicative plan for 2020-2021	To be completed in December 2018	In progress as planned. The Evaluation and Audit Committees, and the Executive Board will review the 2019 preview of the IOE work programme and budget in September.
	IOE comments on PRISMA	To be completed in September 2018	PRISMA, with IOE comments, will be discussed at the Evaluation Committee and Executive Board sessions in September 2018.
	IOE comments on RIDE	To be completed in September 2018	RIDE, with IOE comments, will be presented together with the ARRI at the Evaluation Committee and Executive Board sessions in September 2018.
	IOE comments on IFAD strategies and corporate matters submitted at meetings of IFAD's governing bodies meetings by Management	To be completed in December 2018	Ongoing..
	Participation in all sessions of the Evaluation Committee, Executive Board and Governing Council, selected Audit Committee meetings, the 2018 country visit of the Executive Board to Ethiopia and the Executive Board retreat	To be completed in December 2018	IOE's participation thus far includes the: (i) February Governing Council session; (ii) March Evaluation Committee session; (iii) April Executive Board session (iv) April Audit Committee meeting; (v) Executive Board retreat in April; and (vi) annual Executive Board country visit to Ethiopia from 12 to 18 May.
	IOE comments on COSOPs when related country programme evaluations/CSPEs are available	To be completed in December 2018	Ongoing as planned. IOE's comments on the COSOP for Mozambique, together with the CSPE for Mozambique, were discussed at the April session of the Executive Board. Further comments will be presented to the Board at its September and December sessions.
7. Communication and knowledge management activities	ESR on fisheries, aquaculture and coastal area development	To be completed in July 2018	Ongoing. Final report being prepared for finalization in July 2018.
	ESR on inclusive financial services for rural poor people	To be completed in December 2018	Ongoing. Final report being prepared for finalization in November 2018.
	ESR on technical innovations	To be completed in December 2018	Ongoing. Approach paper finalized. Report being prepared.
	Evaluation reports, <i>Profiles</i> , <i>Insights</i> , IOE website, etc.	January-December 2018	In progress as planned. IOE has published and disseminated to internal and external audiences: four evaluation reports, six <i>Profiles</i> , five <i>Insights</i> , three briefs, eight press releases, three web stories, two booklets, nine infographics, one newsletter and 13 videos.
	Organization of in-country CSPE learning workshops and learning events in IFAD, and participation in learning	January-December 2018	CSPE national roundtable workshops held in (i) Cambodia in January; (ii) Cameroon in February; (iii) Peru in February; and (iv) Angola in May. Special efforts are being made to invite representatives of beneficiaries, civil society organizations and NGOs to each

Type of work	Evaluation activities	Planned implementation status	Present status
	events		workshop. At IFAD headquarters, IOE organized the international conference on Rural inequalities: evaluating approaches to overcome disparities on 2-3 May 2018 (see www.ifad.org/web/events/rural-inequalities). IOE also participated in various in-house events.
	Participation and knowledge-sharing in selected external platforms such as learning events and meetings of evaluation groups	January-December 2018	In progress as planned. IOE participated in: (i) a European Union and Agence Française de Développement conference on understanding global and local inequalities in Paris on 15 January 2018; (ii) a Luxembourg Evaluation and Foresight Society workshop on 21 February, at which IOE delivered a presentation on innovative approaches to development evaluation: The use of ICT (see www.ifad.org/web/ioe/event/asset/40212512); (iii) a presentation on IFAD's evaluation function delivered to the Operations Evaluation Division of the European Investment Bank; (iv) UN-Women and Innovation Norway's commemoration of the International Women's Day held in New York on 8 March, where IOE delivered a presentation on the recently concluded evaluation synthesis on gender equality and women's empowerment (see www.ifad.org/web/ioe/event/asset/40213048); and (v) an ECG meeting with chairpersons of the IFIs' evaluation committees in Washington, D.C. on 18 April 2018.
	Attendance at all OSC meetings to discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE; Attendance at OMC meetings, quality assurance learning sessions, IFAD Management Team meetings and selected country programme management team meetings	January-December 2018	In progress as planned. These forums provide IOE with opportunities to share evaluation lessons with IFAD Management and staff in order to strengthen the design of new policies, strategies and operations. IOE's Director, Deputy Director and several evaluation officers have participated in a number of OSC meetings relevant to monitoring and evaluation. On 1 June 2017, IOE began providing a one-page document containing IOE's comments in advance of OSC meetings. IOE has also participated in portfolio stock-taking meetings held by IFAD's regional divisions. Finally, IOE's Director and Deputy Director have participated in OMC meetings and IFAD Management Team meetings.
	ECG and UNEG	January-December 2018	In progress as planned. IOE participated in the spring meeting of the multilateral development banks' ECG from 30 May to 1 June 2018, which was hosted by the Asian Development Bank in Manila. IOE will participate in the autumn meeting of the ECG to be held in the second half of the year. IOE also participated in the 2018 UNEG Evaluation Week from 7 to 11 May 2018, contributing to themes on: (i) Quality assurance beyond the checklist: how can we ensure the reports are evidence-based?; (ii) Evaluation and hindsight: assessing past interventions against yesterday's standards or today's wisdom (in light of new knowledge on climate change, gender, etc.); and (iii) Making the best use of theories of change in evaluations (see www.ifad.org/web/ioe/event/asset/40273553).
8. Partnerships	Contributions as external peer reviewer to evaluations by other international organizations as requested	January-December 2018	In progress. Completed three peer reviews of Global Environment Facility projects.
	Implementation of joint statement by the CGIAR, FAO, IFAD and the World Food	January-December 2018	In progress as planned. Collaboration on the Cameroon CSPE is completed and a final joint in-country national roundtable workshop was held in February. IOE and FAO are

<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
	Programme (WFP) to strengthen collaboration on evaluation		exploring a collaboration on the Mexico CSPE. The RBAs are continuing collaboration through a community of practice to exchange knowledge and experience for enhancing the evaluations of projects and programmes focusing on agriculture, food security and rural development. Regular interactions among the RBAs' heads of evaluation are being held along with informal interactions among staff of their evaluation offices to exchange views, experiences and knowledge on evaluation matters, and identify opportunities for joint collaboration.
	Training	January-December 2018	In progress as planned.
9. Methodology	Contribution to in-house and external debates on IEs and ESRs, including the Sustainable Development Goals	January-December 2018	IOE participated in a European Union and Agence Française de Développement conference on understanding global and local inequalities. IOE also participated in a workshop exploring how technology is changing evaluation worldwide, hosted by the Luxembourg Evaluation and Foresight Association. Finally, IOE organized an international event at IFAD headquarters – Rural inequalities: evaluating approaches to overcome disparities on 2-3 May 2018.
	Development of a new harmonization agreement	To be completed in 2019	Ongoing. The first part of the new agreement (about criteria and definitions for project and country-level evaluations) was presented to the Evaluation Committee at its March 2017 session and for information at the April 2017 session of the Executive Board. The second part will cover systems and processes related to both self- and independent evaluations, and will take place after the external peer review of IFAD's evaluation function.
	Engagement in ECD in the context of regular evaluation processes	January-December 2018	-
10. Evaluation capacity development (ECD)	Organization of workshops in partner countries on evaluation methodologies and processes (upon request)	January-December 2018	Ongoing. Engagement with the CLEAR initiative is ongoing.
	Implementation of statement of intent with the Government of China on ECD in the country	January-December 2018	In progress as planned.

Table 2
Reporting on IOE key performance indicators (January to Mid-June 2018)

Strategic objectives	Divisional management results (DMRs)	Key performance indicators	Achievements as of mid-June 2018	Target (2018)	Means of verification
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	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				
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	2. Range of new methods and designs applied	2	2	IOE evaluations
		3. Evaluations with quantitative analysis	2	4	IEs and CSPEs
	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	54	70	IOE records
		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	1	3	
		7. Number of page views for IOE reports	39 251*	50 000	
		8. Number of people receiving IOE newsletters	2 200	2 500	
		9. Number of ECD seminars/workshops organized in partner countries	0	1	
	DMR 7: Evaluation capacity development in partner countries	10. Number of events attended by IOE staff related to self-evaluation and ECD	2	3	
		11. Budget cap	0.3% of IFAD PoLG	< 0.9% of IFAD PoLG	
SO1 and SO2	DMR 8: Efficiency of the independent evaluation function and liaison with governing bodies are ensured	12. Ratio of professional to general service staff	1:0.46	1:0.46	IOE records
		13. Budget execution rate at year end	82.5%	98%	
		14. Execution rate of key evaluation activities	60%	98%	

Note: Based on IOE's 2016-2018 Results Measurement Framework, the following reporting matrix provides an overview of IOE achievements as of mid-June 2018 against key performance indicators as agreed upon with the Executive Board.

* Includes February to mid-June 2018, which follows the date (1 February) when the new IFAD website went live.

IOE proposed evaluation activities for 2019 and indicative plan for 2020-2021

Table 1
Proposed IOE work programme for 2019 by type of activity

Type of work	Proposed activities for 2019	Start date	Expected finish date	Expected delivery period ¹				
				Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	2020
1. CLEs	IFAD's support to innovation and productivity growth for inclusive and sustainable smallholder agriculture	Mar-19	Apr-20					X
2. CSPEs	El Salvador	Apr-19	Apr-20					X
	Madagascar	Apr-19	Apr-20					X
	Nepal	Jan-19	Dec-19				X	
	Sierra Leone	Jan-19	Dec-19				X	
	Sudan	Jan-19	Dec-19				X	
3. PCRVs	Validation of all PCRs available in the year	Jan-19	Dec-19	X	X	X	X	
4. ESRs	IFAD's approaches and contributions to community-based rural development	Jan-19	Dec-19				X	
5. PPEs	Eight PPEs	Jan-19	Dec-19			X	X	
6. IEs	One new IE (project to be determined)	Jul-19	Jun-20					X
	Finalize Niger IE							
7. Engagement with governing bodies	Review of implementation of IOE's results-based work programme and budget for 2019, and indicative plan for 2020-2021, and preparation of results-based work programme and budget for 2020 and indicative plan for 2021-2022	Jan-19	Dec-19			X	X	
	17 th ARRI	Jan-19	Sept-19			X		
	IOE comments on the PRISMA	Jan-19	Sept-19			X		
	IOE comments on the RIDE	Jan-19	Sept-19			X		
	IOE comments on policies and strategies by IFAD Management	Jan-19	Dec-19	X	X	X	X	
	Participation in Evaluation Committee, Executive Board and Governing Council sessions, selected Audit Committee meetings and the 2019 Board country visit	Jan-19	Dec-19	X	X	X	X	
	IOE comments on COSOPs when related CSPEs are available	Jan-19	Dec-19		X	X	X	
8. Communication and knowledge-management activities	Evaluation reports, <i>Profiles</i> , <i>Insights</i> , website, etc.	Jan-19	Dec-19	X	X	X	X	
	Organization of in-country CSPE learning workshops and learning events in IFAD	Jan-19	Dec-19	X	X	X	X	

Type of work	Proposed activities for 2019	Start date	Expected finish date	Expected delivery period ^a				
				Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	2020
	Participation and knowledge-sharing through selected external platforms such as learning events and meetings of evaluation groups	Jan-19	Dec-19	X	X	X	X	
	Attendance at all OSC meetings that discuss corporate policies, strategies, COSOPs and selected projects recently evaluated by IOE. Attendance at meetings of OMC and IFAD Management Team	Jan-19	Dec-19	X	X	X	X	
9. Partnerships	ECG, UNEG	Jan-19	Dec-19	X	X	X	X	
	Contribution as external peer reviewer to key evaluations by other multilateral and bilateral organizations as requested	Jan-19	Dec-19	X	X	X	X	
	Implementation of joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	Jan-19	Dec-19	X	X	X	X	
10. Methodology	Contribution to in-house and external debate on impact evaluation	Jan-19	Dec-19	X	X	X	X	
11. ECD	Engagement in ECD in the context of regular evaluation processes	Jan-19	Dec-19	X	X	X	X	
	Organization of workshops in partner countries (as per request) on evaluation methodologies and processes	Jan-19	Dec-19	X	X	X	X	
One-time activity	IOE external peer review	Jun-18	Sept-19			X	X	X

^a The quarterly delivery period is marked with an **X** only for an expected specific deliverable.

Table 2
IOE indicative plan for 2020-2021 by type of activity*

Type of work	Indicative plan for 2020-2021	Year
1. CLEs	IFAD's contribution to smallholder adaptation to climate change	2020
	Joint evaluation with the evaluation offices of WFP and FAO on country-level collaboration among RBAs; IFAD's decentralization experience – follow-up; or IFAD's effort to ensure project quality at entry	2021
2. CSPEs	Burundi	2020
	Ecuador	2020
	Niger	2020
	Pakistan	2020
	Uzbekistan	2020
	Côte d'Ivoire	2021
	Malawi	2021
	Viet Nam	2021
	Latin America and the Caribbean region (to be decided)	2021
	Near East and North Africa region (to be decided)	2021
3. PCRVs	Validate all PCRs available in the year	2020-2021
4. PPE	16 to 20 PPEs	2020-2021
5. IEs	One new IE per year (project to be determined)	2020-2021
	18 th and 19 th ARRIIs	2020-2021
	Review of implementation of results-based work programme and budget for 2020, and indicative plan for 2021-2022; and preparation of results-based work programme and budget for 2021, and indicative plan for 2022-2023	2020-2021
	IOE comments on the PRISMA	2020-2021
	IOE comments on the RIDE	2020-2021
6. Engagement with governing bodies	IOE comments on selected IFAD operational policies, strategies and processes prepared by IFAD Management for consideration by the Evaluation Committee	2020-2021
	Participation in all sessions of Evaluation Committee, Executive Board and Governing Council, and the annual country visit of the Board.	2020-2021
	IOE comments on COSOPs when related country programme evaluations/CSPEs are available	2020-2021
	Evaluation reports, <i>Profiles</i> , <i>Insights</i> , website, etc.	2020-2021
7. Communication and knowledge-management activities	Evaluation synthesis on rural enterprise development approaches	2020
	Evaluation synthesis on contributing to improved households income and assets; or food security	2021

<i>Type of work</i>	<i>Indicative plan for 2020-2021</i>	<i>Year</i>
	Attend all OSCs that discuss corporate policies and strategies, COSOPs and selected projects evaluated by IOE; attend meetings of OMC, IFAD Management Team and selected country programme management teams	2020-2021
	ECG, UNEG	2020-2021
8. Partnership	Implement joint statement by CGIAR, FAO, IFAD and WFP to strengthen collaboration in evaluation	2020-2021
	Contribute as external peer reviewer to key evaluations by other multilateral and bilateral organizations as requested	2020-2021
9. Methodology	Contribute to in-house and external debate on impact evaluation	2020-2021
10. ECD	Implement activities in partner countries related to ECD	2020-2021

* The topics and number of CLEs, CSPes and ESRs are tentative; actual priorities and numbers of activities to be undertaken in 2020 and 2021 will be confirmed or determined in 2019.

IOE staffing for 2019

Table 1
Total IOE staff levels for 2019

2012 level	2013 level	2014 level	2015 level	2016 level	2017 Level	2018	2019 (proposed)		
							Professional staff	General service staff	Total
19.5	18.5	18.5	19	19	20	20	14	6	20

Table 2
Human resource category

Category	2016	2017	2018	2019 (proposed)
Professional staff				
Director	1	1	1	1
Deputy Director	1	1	1	1
Lead evaluation officers	3	3	3	3
Evaluation officers	6	7	7	7
Evaluation research analyst	1	1	2	2
Evaluation knowledge and communication officer	1	1	-	-
Subtotal Professional staff	13	14	14	14
General Service staff				
Administrative assistant	1	1	1	1
Assistant to Director	1	1	1	1
Assistant to Deputy Director	1	1	1	1
Evaluation assistants	3	3	3	3
Subtotal General Service staff	6	6	6	6
Grand total	19	20	20	20

Table 3
IOE general service staff levels

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (proposed)
8.5	8	8	8	6	6	6	6	6	6	6

IOE proposed budget for 2019

Table 1

IOE proposed budget 2019

(United States dollars)

	2013 budget	2014 budget	2015 budget	2016 budget	2017 budget	2018 budget (1)	Proposed 2019 budget		
							(2) Real increase/(decrease)	(3) Price increase/(decrease)	(4) Total 2019 budget*
Non-staff costs	2 346 711	2 395 992	2 455 892	2 541 520	2 490 861	2 505 390	(55 000)	60 000	2 510 390
Staff costs	3 667 268	3 586 690	3 614 041	3 127 899	3 235 056	3 307 259	-	74 355	3 381 614
Total	6 013 979	5 982 682	6 069 933	5 669 419	5 725 917	5 812 649	(55 000)	134 355	5 892 004

* (4)=(1)+(2)+(3)

IOE peer review (2019 portion of the total cost)	200 000
Total 2019 budget	6 092 004

Table 2
2019 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 % of work^a</i>	<i>Standard unit costs^b (US\$)</i>	<i>Proposed non-staff costs in 2019 (US\$)</i>
ARRI	1	1	80 000-150 000	80 000
CLEs <ul style="list-style-type: none"> • IFAD's contribution to agriculture-related pro-poor value-chain development • IFAD's financial architecture 	2	<ul style="list-style-type: none"> • 1 • 0.8 • 0.2 	Differentiated cost based on scope and nature of issues to be assessed: 250 000-450 000	430 000
CSPEs	7	5.2	Differentiated cost based on size of portfolio, size of country, travel costs and availability of evidence: 180 000-200 000	1 000 000
Evaluation syntheses <ul style="list-style-type: none"> • IFAD's approaches and contributions to community-based rural development 	1	1	40 000-65 000	55 000
PPEs	8	8	30 000-40 000	320 000
PCRVs	About 30	About 30	-	30 000
IEs	2	1	-	200 000
Knowledge-sharing, communication, evaluation outreach and partnership activities	-	-	-	260 000
ECD, training and other costs	-	-	-	135 390
Total				2 510 390

^a Some evaluations straddle two years. This figure represents the percentage of work per type of evaluation activity in 2019.

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

IOE selectivity framework

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

<i>CLEs</i>	<i>CSPEs</i>	<i>ESRs)</i>	<i>PPEs</i>	<i>IEs</i>
<p>1. Strategic priority. The evaluation contributes to IFAD's strategic priorities and replenishment commitments</p> <p>2. Accountability. Topic selected contributes to strengthening IFAD's institutional accountability</p> <p>3. Knowledge gap. CLEs contribute to filling a critical knowledge gap in IFAD</p> <p>4. Timeliness. Evaluation results feed punctually into corporate policies, strategies and processes</p> <p>5. Corporate risks. The evaluation serves to minimize critical corporate risks</p>	<p>1. Link to COSOPs. Results feed into the development of IFAD country strategies/ COSOPs</p> <p>2. Coverage:</p> <p>(a) Regional and country coverage of CSPEs</p> <p>(b) Size of the portfolio in terms of total investments and number of operations</p> <p>(c) Debt Sustainability Framework classification (red, yellow, green)</p> <p>(d) Lending terms (highly concessional, blended or ordinary)</p>	<p>1. Evaluation evidence. Availability of adequate evaluation evidence by IOE and evaluation functions in other development organizations</p> <p>2. Knowledge gap. ESRs contribute to filling a critical knowledge gap in IFAD</p> <p>3. Strategic priority. The synthesis contributes to IFAD's strategic priorities and replenishment commitments</p> <p>4. Timeliness. The synthesis feeds punctually into corporate policies, strategies and processes</p> <p>5. Building block. The synthesis serves as an input for other IOE products</p>	<p>1. Availability of PCR. PPEs are undertaken only when a PCR is available</p> <p>2. Geographic coverage. PPEs selected to ensure regional balance of the IOE evaluation programme</p> <p>3. Building block. Priority given to PPEs that provide an input into CSPEs, CLEs or ESRs</p> <p>4. Information gaps. PCR does not provide sufficient analysis of project performance and results</p> <p>5. Inconsistencies. PCR ratings are inconsistent with narrative</p> <p>6. Innovative approaches. The project includes innovative approaches that merit deeper analysis and documentation</p> <p>7. Learning from PPE. Evidence needed on what worked and why</p>	<p>1. No duplication. No IE conducted by IFAD Management on the same operation</p> <p>2. Learning from IE. Evidence needed on what works in a certain context</p> <p>3. Building block. Priority for IEs that provide an input into CSPEs, CLEs or ESRs</p> <p>4. Completion date. IEs will be finalized within three years after completion date</p> <p>5. Baseline data. The availability and usability of baselines is essential to determine the methodology to be applied in IEs</p> <p>6. Information gaps. The PCR does not provide sufficient analysis of the effectiveness and impact of certain interventions</p> <p>7. Innovative approaches. The project includes innovative approaches that merit deeper analysis and documentation</p>