

Document: EB 2019/127/R.5/Add.2
Agenda: 3(b)
Date: 9 September 2019
Distribution: Public
Original: English

E



Investing in rural people

Management position on the Comments of the Independent Office of Evaluation of IFAD on the IFAD10 Impact Assessment Report

Note to Executive Board representatives

Focal points:

Technical questions:

Paul Winters
Associate Vice-President
Strategy and Knowledge Department
Tel.: +39 06 5459 2189
e-mail: p.winters@ifad.org

Sara Savastano
Director
Research and Impact Assessment Division
Tel.: +39 06 5459 2155
e-mail: s.savastano@ifad.org

Alessandra Garbero
Senior Economist
Tel.: +39 06 5459 2458
e-mail: a.garbero@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Chief
Institutional Governance and
Member Relations
Tel: +39 06 5459 2374
e-mail: gb@ifad.org

Executive Board — 127th Session
Rome, 10-12 September 2019

For: Review

Management position on the Comments of the Independent Office of Evaluation of IFAD on the IFAD10 Impact Assessment Report

1. Management welcomes the comments submitted by the Independent Office of Evaluation of IFAD (IOE) on the Tenth Replenishment of IFAD's Resources (IFAD10) Impact Assessment Report that were posted for the Board's review and would like to respond as follows.
- A. Overall comments
2. The majority of IOE's comments are primarily based on the sample selection of the 19 studies included in the IFAD10 impact assessment (IA) exercise. Even though IOE recognizes the report's efforts to measure corporate impact and the useful lessons learned as IFAD moves forward in designing and implementing projects beyond the IFAD10, it questions the representativeness of the portfolio due to the consultative process (involving the regional divisions) conducted in project selection.
 3. Management would like to point out that the arguments raised by IOE were already addressed in the aftermath of IFAD9 and laid out in the Development Effectiveness Framework (DEF), which was reviewed by the Board (EB 2016/119/R.12). In IFAD9, the initial selection of projects was undertaken through a randomization process. However, it was not possible to maintain the integrity of the random sample since many of the randomly selected projects (nine in total) had to be replaced due to practical and technical concerns. Even among the randomly selected projects that underwent an impact assessment, there were technical concerns about the accuracy of the counterfactual which led to issues of their validity. The conclusion drawn from the IFAD9 IA approach was that randomization was not feasible and therefore not recommended as a selection method.
 4. Undertaking a scientifically valid random selection on the small number of IFAD projects that complete or close during the replenishment period (~ 100) requires significant stratification criteria (region, project type, etc.) to ensure that the selection is representative. If random selection is applied to this small number of IFAD projects, it results in a sample that is potentially problematic. This phenomenon is well known in the statistical literature, where, for instance in medical experiments, randomization fails in small samples.
 5. The problems faced in conducting the IFAD10 IAs commonly occur when there is a small population and when practical, technical or ethical considerations limit the ability to select randomly. The solution, which was laid out in the DEF and discussed with the Board, was to come up with a clear and tailored approach for project selection for IFAD10 IAs. These criteria are listed in the DEF as well as the IA reports and are as follows:
 - (i) Potential for lesson learning;
 - (ii) Feasibility of conducting a scientifically rigorous impact assessment;
 - (iii) Buy-in from the government and IFAD; and
 - (iv) The capacity of a project to represent IFAD's portfolio.
 6. Consultation with regional divisions was designed to ensure that all these criteria were met, particularly the one concerning the representation of the portfolio. This validation process was an iterative one that led to alternative projects being requested. The identification of the final projects included in the IFAD10 IAs resulted from the application of these agreed-upon criteria.

B. Specific comments

IOE comment objective 2: The sample selected for the IFAD10 impact assessment initiative is not truly representative, containing mainly better-performing projects with a strong possibility of overestimating results.

7. Management: The selection strictly followed the criteria laid out in the DEF and did not involve selection on the basis of actual or perceived performance (selection was undertaken in July 2016 prior to knowing the ratings that the projects would receive). Technical considerations around the need to create a counterfactual and government buy-in were critical.
8. IOE notes a link between project completion reports (PCRs) and the projects that underwent impact assessment. This is due to the fact that some of the PCRs incorporate the evidence from the impact assessments, resulting in higher quality reports and hence, higher ratings. The link to higher PCR ratings is unsurprising given the emphasis placed on learning from the impact assessments. An analysis of PCRs conducted as part of the IFAD9 IAs showed that evidence reporting was insufficient in PCR documentation. Therefore, in its fifth interrelated activity (para. 23(v)), the DEF sought to link learning from monitoring and evaluation and impact assessments to results reporting. In fact, a rule was put in place to allow a six-month delay in preparing PCRs for projects selected for IAs to enable the incorporation of impact assessment results. The higher score of PCRs is therefore a result of improved evidence use.

IOE comment: Contrary to the stated methodology in the report, only 10 per cent of the projects in the sample were completed in the IFAD10 period.

9. Management: IFAD replenishment periods are linked to the initiation of projects, not to completion times or when a PCR is submitted. Since projects were selected at the beginning of IFAD10, completion dates were only known for those that were near ending. To have an impact, it is key that all critical investments be completed. Projects selected for IAs were those in which critical investments had been completed prior to the end of the IFAD10 period. The primary reason for having projects outside the range (IFAD10 period) is that projects were extended from IFAD9 into the IFAD10 period or extended beyond IFAD10 to IFAD11 (one was extended three times). While not ideal, many IFAD projects are delayed and since delay is not uncommon, the sample is still likely to reflect the portfolio.

IOE comment: Learning areas could coincide with project types or intervention domains.

10. Management: This is a reasonable comment. Since the projects were selected to represent different project types and intervention domains, further work can be done along these lines. Ongoing analysis of the results and subsequent reporting on the IFAD10 IAs will seek to do this.

IOE comment: The report would have benefited from a section on the challenges and limitations of the exercise.

11. Management: This is a reasonable comment. The IFAD9 IA exercise was used to draw lessons for IFAD10 that were incorporated into the DEF. A similar process will be undertaken for IFAD10 to draw lessons for the IFAD11 IAs.