IFAD

Investing in rural people

Minutes of the 106th Session of the Evaluation Committee

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

For: Information

Minutes of the 106th Session of the Evaluation Committee

1.   The deliberations of the Evaluation Committee at its 106th session, held on 2 September 2019, are reflected in the present minutes.

2.   The minutes will serve as the basis for the oral report to be provided by the Evaluation Committee Chairperson to the Executive Board. As approved by the Committee, the minutes will be shared with the Board.

Agenda item 1. Opening of the session

3.   The session was attended by Committee members for Cameroon, India, Indonesia (Chair), France, Japan, Mexico and the Netherlands. Observers were present from Egypt, China, the Dominican Republic and the United Kingdom. Poland participated as a silent observer. The session was also attended by the Director, Independent Office of Evaluation of IFAD (IOE); Deputy Director, IOE; Associate Vice-President, Programme Management Department; Associate Vice-President, Strategy and Knowledge Department; Lead Policy and Results Specialist, Operational Policy and Results Division; Director, Environment, Climate, Gender and Social Inclusion Division; Director, Research and Impact Assessment Division; Secretary of IFAD; and other IFAD staff.

Agenda item 2. Adoption of the agenda (EC 2019/106/W.P.1)

4.   The provisional agenda comprised the following items: (i) Opening of the session; (ii) Adoption of the agenda; (iii) 2019 Annual Report on Results and Impact of IFAD Operations (ARRI); (iv) 2019 Report on IFAD's Development Effectiveness (RIDE); (v) President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA); (vi) IFAD10 – Impact Assessment; (vii) Preview of the results-based work programme and budget for 2020, and indicative plan for 2021-2022 of the Independent Office of Evaluation of IFAD; (viii) Draft Report of the External Peer Review of the Evaluation Function at IFAD; and (ix) Other business.

5.   The Committee adopted the agenda as contained in document EC 2019/106/W.P.1, with the inclusion of an update on the process for the appointment of the new IOE Director under other business.

6.   The agenda will be revised as EC 2019/106/W.P.1/Rev.1.

Agenda items 3 and 4: 2019 Annual Report on Results and Impact of IFAD Operations (ARRI) (EC 2019/106/W.P.2 + Add.1) and 2019 Report on IFAD's Development Effectiveness (RIDE) (EC 2019/106/W.P.3 + Add.1)

7.   The Committee reviewed the ARRI and RIDE together, a practice that has proved efficient.

8.   This was the seventeenth edition of the ARRI. Its learning theme was "Relevance of IFAD project interventions". The Committee highlighted that the ARRI report was an important source of information on IFAD performance for both the Committee and the Board.

9.   While the majority of the ARRI's ratings were positive for the period 2007 – 2017, recent trends indicated a decline in project portfolio performance. However, within this 10-year period, positive ratings had increased for environment and natural resources management, innovation, and adaptation to climate change.

10. The Committee discussed the ARRI's findings and enquired about Management's actions to improve the performance on efficiency and sustainability of benefits. In response, Management described measures being put in place in these areas, such as revision of the targeting guidelines; greater focus on project design, including exit strategies at design to enhance sustainability of benefits, and robust

monitoring and evaluation through capacity-building at the project and country level. To address delays in project start-up, reforms were under way in the form of a project restructuring policy and the proposal for faster implementation of project start-up instruments.

11. Regarding the declining trend in performance reported in the ARRI, Management noted that statistically the trend was not significant for most performance criteria, but more efforts were being dedicated to improve overall portfolio quality, especially in certain regions and in countries in fragile situations. IOE noted that the rating trends resulting from Management's self-assessment and IOE's evaluations were very similar.

12. Regarding the statistical significance of ratings between the periods of the Ninth Replenishment of IFAD's Resources (IFAD9) and IFAD10 in the ARRI and some discrepancy between the findings presented in the ARRI and the RIDE, members suggested a greater focus on the appropriateness of target-setting in the Results Management Framework and on whether or not the set targets were being met.

13. The Committee noted Management's agreement with the ARRI recommendations, specifically, the need to:

   (a) design programmes according to country capacity and further develop government capacity to design and implement country programmes;

   (b) adjust project designs earlier in the process to ensure their continued relevance to the country context; and

   (c) put in place a more comprehensive and integrated system to mitigate risks in IFAD operations.

14. Management underlined that efforts would be made to further improve and strengthen the design, implementation and supervision of projects.

15. The findings of the RIDE – Management's main instrument for reporting on operational and institutional performance – showed overall positive performance on targets on indicators for impact, institutional efficiency and disbursements. Targets were being met or surpassed, with some shortfall on cofinancing and project efficiency and sustainability. Members thanked Management for the reintroduction of the traffic-light system to show performance progress on the various indicators.

16. The Committee expressed some concern about the different results presented in the ARRI and the RIDE. The discrepancies between the two methodologies could be addressed in the next phase of the harmonization agreement between IOE and IFAD.

17. Overall, the Committee expressed satisfaction with the two reports. One member highlighted the need to consider reviewing evaluation products such as the ARRI in light of the recommendations of the external peer review of the evaluation function.

18. With respect to the learning theme for the ARRI in 2020, most members supported the proposed theme of efficiency. However, an observer commented that since a recent corporate-level evaluation (CLE) had focused on efficiency, perhaps the next ARRI could focus on a new theme and that Management could prepare a detailed update on the implementation of the CLE recommendations.

   Agenda item 5. President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) (EC 2019/106/W.P.4+ Add.1)

19. The Committee expressed appreciation for the strong uptake rate of IOE recommendations by Management: up to 97 per cent, with 55 per cent of the recommendations fully followed up, and actions on 42 per cent of the recommendations ongoing.

20. Responding to the lack of detail on internalization of lessons at the corporate level, Management noted that while the actions being taken on the various corporate-level recommendations were not detailed in the main PRISMA report, these were fully described in its addendum. Specific thematic areas were being followed up through other subsidiary bodies of the Board such as the Working Group on the Performance-Based Allocation System, or - for the financial architecture – through the Audit Committee.

21. According to Committee members, some measures being implemented by Management did not seem to specifically address the main recommendations made by IOE. Management noted that it had responded to IOE's overarching recommendations by elaborating specific actions for implementation.

22. Responding to a query on the gap between project closure and availability of evaluation products, Management explained that the lag between project completion and the preparation of completion reports had been reduced. IOE noted that the period between receipt of the completion report and the finalization of some products was six months and longer for others.

23. Regarding the recommendation to review the targeting policy, Management noted that it had started by revising the targeting guidelines in order to address immediate implementation-related issues. However, it would consider revising the targeting policy if deemed necessary.

24. Management further acknowledged the need to build capacity and strengthen the sense of ownership on the part of governments in designing and implementing projects.

25. The Committee noted that, at the corporate level, the recommendations made by IOE in recent corporate thematic evaluations included in this year's report were generally in line with the reforms and actions already being undertaken by Management for IFAD11.

26. Regarding the largely context-specific portfolio-level recommendations by IOE, Management expressed the view that it would be more useful to have fewer stand-alone project evaluations and more thematic evaluations of projects following similar development approaches. This would enhance the internalization of lessons learned, in line with the findings of the peer review.

27. IOE expressed the view that the PRISMA should present strategic issues based on analysis of actions that substantively address IOE recommendations rather than granular-level reporting. In the follow-up to the peer review, Management would be working with IOE on the revision to the evaluation policy and manual and would follow a more strategic and less granular approach to the PRISMA.

Agenda item 6. IFAD10 – Impact Assessment (EC 2019/106/W.P.5 + Add.1)

28. The Committee and IOE commended IFAD on undertaking an impact assessment of this nature, noting that IFAD was the only international financial institution that had embarked on such an exercise.

29. Committee members voiced concern as to whether the sample included in the paper was sufficiently representative. Management recognized the methodological issues with the sample, which inevitably arose when a small subset of an overall number was used. Management clarified that the sample had not been cherry-picked but rather had been selected based on specific criteria agreed to with the Executive Board under the Development Effectiveness Framework. It was emphasized that this did not invalidate or weaken the results of the assessment.

30. The Committee also asked whether Management and IOE could collaborate in finalizing the selection of the sample. IOE was of the view that it should not be involved in this process so as to be able to continue providing objective assessments to both the Committee and the Board.

31. Committee members wished to know more about the data collection methods, the type of questions asked and who the respondents were. Management clarified that data were collected directly from beneficiaries and non-beneficiaries of IFAD projects in the field. The questions were of an objective nature and related to agricultural output and income-generating activities. Respondents were not asked for their opinion on the project's effectiveness. A total of approximately 38,000 households were interviewed during the assessment.

32. Members expressed concern about the fact that some projects completed after 2018 and some completed before IFAD10 were included in the assessment. Management noted that this did not create any bias in the results since all projects had made their critical investments prior to the impact assessment and were thus reasonably representative of IFAD's portfolio.

33. IOE noted that the inclusion of a more detailed explanation of the limitations of the methodology in the report would be useful to inform future exercises. Committee members asked Management to find ways of validating the methodology used for impact assessment, given that the exercise was unique among IFIs. Management welcomed the proposal to have an external peer validation of the methodology used for the impact assessment.

Agenda item 7. Preview of the results-based work programme and budget for 2020, and indicative plan for 2021-2022 of the Independent Office of Evaluation (EC 2019/106/W.P.6)

34. The Committee welcomed the IOE preview of the results-based work programme and budget for 2020, and indicative plan for 2021-2022, and expressed strong support for the items included therein.

35. The Committee noted that the preview was a transitional document in that it was prepared prior to the finalization of the external peer review of the evaluation function at IFAD. As such, IOE agreed to the need to allow a higher level of flexibility in the budget to accommodate any changes arising from the implementation of the peer review recommendations.

36. In view of the planned evaluation synthesis report on rural infrastructure, one member suggested that IOE factor in field missions to fully evaluate the maintenance of rural infrastructure in addition to the desk reviews, and to take into consideration the impact assessments being undertaken by Management.

37. Regarding the proposed thematic evaluation on the adaptation to climate change, one member asked for details on the methodology to be used, given the cost included in the budget. IOE noted that more information pertaining to the evaluation would be provided to the Committee in due course.

38. Commenting on the planned CLE on decentralization for 2021-2022, a member asked whether it would not be more useful to review the implementation of recommendations from the last CLE on the same subject which would have been finalized only six years ago. IOE noted that the new CLE would build upon the previous one and integrate any changes made over the past six years.

39. On Rome-based agency (RBA) collaboration, IOE noted that work was under way with the evaluation offices of the RBAs to define the scope and methodology of the planned joint country-level evaluation, which was expected to commence in 2020 and end in 2021.

40. Responding to a query about the cost of recruiting the IOE Director included in the budget, IOE clarified that this was based on the cost of the previous recruitment. The cost factored in the possible use of a head-hunting agency by the search panel. IOE noted that the budget envisaged for this activity was lower than for the previous exercise.

41. IOE also noted that while the gender allocation in the budget appeared small, the entire budget was gender-sensitive, with a specific amount of resources dedicated to evaluating gender equality. IOE further assured the Committee that it would continue to vigilantly manage consultant costs.

42. The budget document would be updated to incorporate comments received from the Committee, the Audit Committee and the Board before being finalized for approval.

   Agenda item 8. Draft Report of the External Peer Review of the Evaluation Function at IFAD (EC 2019/106/W.P.7 + Add.1 + Add.2)

43. The Committee thanked Joseph Eichenberger, Chief Evaluator in the European Bank for Reconstruction and Development and Panel Chair of the External Peer Review, for a robust, candid and comprehensive report. Members welcomed the findings and recommendations of the review, and noted the focus on the role of evaluation in addressing accountability and contributing to development effectiveness, the importance of IOE independence, and the need to review the evaluation function in light of the current IFAD structure.

44. Highlighting that evaluation was more than the individual actions of IOE, Management and the Board, but a combination of these, the peer review panel pointed to the need for all three players to agree on the broad strategy and institutional approach to evaluation at IFAD. To fully make use of the peer review results, IOE, Management and the Board needed to agree on the priorities and direction of evaluation, and then work together to ensure that the established system remained on track.

45. Members expressed appreciation to Management and IOE for their responses and agreement with the findings and recommendations provided in the peer review report. In addition, they requested that IOE and Management jointly develop an action plan and roadmap clearly showing the next steps in implementing the peer review recommendations.

46. Both Management and IOE welcomed the development of an action plan and indicated willingness to work together to finalize the next steps. The peer review panel was requested to provide input and guidance in developing the follow-up action plan. The Panel Chair agreed to do so.

47. Members noted the need to review the evaluation policy and manual, and to widen the scope and Terms of Reference of the Evaluation Committee. The governance aspect of how the Committee would respond to the recommendations of the peer review was discussed. While agreeing with the recommendation, members pointed out that reviewing the Committee's Terms of Reference was the mandate of the Executive Board.

48. Commenting on the recommendation about the periodicity of the external peer review of the evaluation function, the Committee expressed a preference for an interval of 8 to 10 years between reviews. This would allow ample time to implement recommendations and determine the level of success achieved.

49. Regarding the view that the ARRI and RIDE duplicated each other, the Committee noted that the two products were different and considered each of them necessary to obtain the perspectives of both IOE and Management.

50. In response to a specific question on how the peer review recommendations could be implemented in the budget, the Panel Chair commented on the significant difference between the IOE and IFAD budgets and the fact that the IOE budget was very restrictive, with limited room for innovation.

51. The Panel Chair further emphasized the need to simplify internal evaluation procedures and make them less resource-intensive. He also recommended the

creation of a working group among IOE and IFAD Management and the use of a consultant to initiate the elements of a follow-up action plan.

Agenda item 9. Other business

(a) Update on the process leading to the appointment of the IOE Director

52. The Committee took note of the update provided by the Secretary about the process leading to the appointment of the Director, IOE which should take place in 2020.

53. The following procedures would be followed, as per the revised Evaluation Policy (EB/2011/102/R.7/Rev.3):

(a) The selection process will be led by a search panel consisting of (a) three Executive Board members, one each from Lists A, B and C and nominated by the Convenors of the respective Lists. For the duration of the search panel process, the three Board members must be neither members of the Evaluation Committee nor Convenors of their respective Lists and/or sub-Lists; and (b) two independent experts identified by the Evaluation Committee with recognized evaluation experience (at least one of whom would have experience managing an independent evaluation department).

(b) A representative of IFAD's Senior Management will participate in the panel as a non-voting member.

(c) The Executive Board search panel members will choose a chairperson who shall not be one of the independent experts nor the Management representative.

54. The Office of the Secretary was already working with the Convenors to obtain their proposals of Board members who could serve on the search panel. The Evaluation Committee was also welcome to share names of proposed experts that could be part of the panel.

55. Clarifications were sought about the terms of reference for the selection panel and for the IOE Director, and the process that would be followed. Members were referred to the detailed process as set forth in the revised IFAD Evaluation Policy.

Closing

56. The Committee was reminded that there would be a very short time frame within which to review the minutes given the close proximity of the session to the forthcoming Board session. The Secretariat would make every effort to provide the draft minutes as soon as possible to the Chair for clearance and then to members for their comments and approval.

57. The Chairperson thanked participants for their contributions to the discussions and for the timely closure of the session.