



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Eighth Session

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INDEPENDENT EXTERNAL EVALUATION OF IFAD OPERATIONS

1. During its deliberations, the Consultation on the Sixth Replenishment of IFAD's Resources noted that there had not been an independent evaluation of IFAD since the Rapid External Assessment conducted in 1994 and endorsed a proposal to have such an evaluation. Accordingly, in the Consultation's report to the Governing Council (as contained in document GC 26/L.4 and approved by the Governing Council in its Resolution 130/XXVI), it was recommended that an external and independent evaluation of IFAD be planned and started in 2003 and completed in 2004, in sufficient time to allow full deliberations on the Independent External Evaluation Report by the Executive Board prior to its making a recommendation to the Governing Council for the establishment of the Consultation on the Seventh Replenishment of IFAD's Resources. It was further recommended that the Executive Board decide on and authorize the modalities for structuring and managing the evaluation process.

2. In accordance with paragraph 99 of the Consultation Report on the Sixth Replenishment of IFAD's Resources, the draft Terms of Reference for the Independent External Evaluation of IFAD are provided as an attachment hereto for the information of the Board. These draft Terms of Reference have been formulated by Mr Peter Smith of the United Kingdom, the consultant selected to perform this task by the Evaluation Committee in December 2002. The draft Terms of Reference were discussed at an informal session of the Evaluation Committee on 26 March 2003, and there was agreement to hold a further informal session on 7 April 2003 to continue the elaboration of various areas that require further consideration. A report on the deliberations at both informal sessions will be presented to the Executive Board by the Chairman of the Evaluation Committee. This report will contain the recommendations of the Evaluation Committee to the Board on the proposed course of action for the Independent External Evaluation of IFAD.

TERMS OF REFERENCE:

IFAD INDEPENDENT EXTERNAL EVALUATION

**Peter Smith,
Consultant.**

1. BACKGROUND

A rapid external review of IFAD's operations was completed in February 2002, in connection with Sixth Replenishment. The conclusions of this review were favourable to IFAD in a number of areas: its special expertise in combating rural poverty; its work in capacity and institutions building; its promotion of a number of important innovations; and its contributions to policy dialogue and to improving strategy formulation at the national level. It also recorded a number of problem areas, including the sustainability of projects, and the dominance of a culture which focuses on approval, disbursement, and inputs, rather than on performance, results, and impact.

However, the 2002 review was carried out at short notice, with limited resources, and had to rely largely on IFAD-generated data, with only brief field visits. As a result, it was widely felt among donors and members that the review was insufficiently rigorous, objective, and independent. It was therefore agreed that a full Independent External Evaluation (IEE) would be completed by September 2004, to feed into the Seventh Replenishment.

2. OBJECTIVES

The objectives of the evaluation are:

- To determine how far IFAD has succeeded in its primary objective of contributing to the alleviation of poverty in its target groups.
- To compare that achievement with IFAD's own targets, and to assess whether those targets exist in a sufficiently clear and explicit form, and are realistic and reasonably challenging.
- To establish the causes of any underachievement, whether these be in IFAD itself, or in its partners.

3. THE CLIENT, AND MAJOR STAKEHOLDERS

The client for the IEE is the Board of IFAD, as represented by its Evaluation Committee. Its chief requirement is for an evaluation which is a credible statement of the organization's achievements, problems, and opportunities for improvement; this is needed as an input to the Seventh Replenishment.

Within the organization, the Office of Evaluation and Studies (OE) has a special role as an independent unit reporting direct to the Board. Other major stakeholders are: the Co-operating Institutions (CIs), national governments and other partners, co-financing agencies, the beneficiaries, and the professional staff of IFAD. The modus operandi of the evaluation is designed to promote the participation of each of these groups.

4. SCOPE AND FOCUS

4.1. Activities

The evaluation will focus on the factors determining effectiveness in field operations; this necessarily includes the majority of IFAD's own internal procedures. However, there are a number of areas of the organization's internal procedures which are excluded. These are:

- investment management;
- public relations and fund raising;
- certain aspects of personnel management: recruitment policy, and pay and conditions (but overall staffing levels and factors affecting morale and use of time are included); and
- IT, legal, and translation services, and routine procurement and maintenance.

Although each of these functions is linked to field effectiveness, none of them interact with it; as a result, each of these excluded functions can be evaluated separately from the topics covered in the IEE. There are advantages in keeping them separate: they require specialised expertise, which is largely unrelated to that required for the primary objective; and separating them off will simplify the management of the evaluation. The Evaluators may however comment on the impact of any of these areas on the main inquiry, where this is necessary to the achievement of the main objectives..

4.2. Time Horizon

The evaluation will cover activities initiated after the Rapid Evaluation (93/94), focusing on those which are nearing completion, or have been recently completed. Earlier activities are excluded, as the results would relate to the effectiveness of approaches which are no longer in use. A number of important changes in the way that IFAD operates were made at about the start of this period (including some resulting from the evaluation itself, and the first phase of the re-engineering process).

4.3. General Approach

The IEE will be primarily a management investigation, examining how resources have been used to convert IFAD's philosophy into effective measures to alleviate poverty amongst its target groups. The results of the February 2002 Review suggest that simple technical deficiencies in project design do not form an important part of the overall picture; however, provision has been made for a limited amount of technical evaluation in critical areas, according to need; tentatively, these have been identified as microfinance, small rural businesses, and agronomy. Provision has also been made for a gender specialist under this heading, in case additional in-depth work proves necessary (the main responsibility for which lies with the Rural Livelihoods Specialist).

It is not intended to evaluate IFAD against the performance of other agencies, because this would imply evaluating all agencies which might be used as standards of comparison. However, an assessment of the general level of performance of other major agencies will also be made for each sample country, for purposes of comparison.

5. ORGANIZATIONAL ARRANGEMENTS

The Evaluation will be carried out under the general guidance of a Steering Committee, which will report to the Evaluation Committee. The Steering Committee will be responsible for all administrative arrangements and approvals; note, however, that -- in the interests of independence -- the Steering Committee has only an advisory role in the conduct and content of the evaluation itself.

The Evaluation will be implemented through the following positions and bodies:

Head of Evaluation Mission, who will bear the primary responsibility for the conduct of the exercise.

Core Evaluation Team, consisting of Project Management Specialist, Rural Livelihoods Specialist, Farming Systems Specialist, and Economist/Statistician.

Technical Specialists, who will be engaged for shorter periods, according to the need to examine the quality of technical aspects of project design, as revealed by the main programme of investigations.

The Head of Evaluation Mission will be recruited via a head-hunting agency, and will manage the recruitment of the remaining team members. This approach provides a quick start-up, while avoiding the principal disadvantages of engaging a firm or research agency for the task. The advantages are:

- it is easier to find individuals who are free of conflicts of interest than a firm which is free of such conflicts;
- a single agency may not have the required spread of expertise in-house;
- it will be easier to maintain balance (by nationality, gender, and language capability) with direct recruitment;
- direct recruitment will save on overheads charges (commonly in the region of 50% to 80% added on to the fees received by consultants); and
- avoiding the problems resulting from firms' (and other consultancy organizations) tendency to field a different set of staff from those whose CVs were approved during the bidding process.

There will also be a small Secretariat, consisting of an Administrator, and a Secretarial Assistant (both full-time, the Administrator for 12 months, the Secretarial Assistant for the entire period). Some inputs will be required from the Country Portfolio Managers, in setting up meetings with Borrowers, and with other partners.

6. THE MAJOR EVALUATION QUESTIONS

In carrying out their individual Terms of Reference, the consultants will ensure that the following questions are addressed:

6.1. Impact

1. What impact -- in quantitative terms¹ -- has IFAD made on poverty levels amongst its target groups?
2. To which groups (by gender and income level) have the benefits mainly accrued? Do the results indicate that additional measures are needed to ensure the full participation of women and the poorest groups?
3. What other significant impacts has IFAD made, particularly through institution building, capacity building, policy dialogue, and changes in the political priority given to the poor, directly, or through catalytic effects?

¹ It should be noted that quantitative estimates of impact will be required to assess progress against the Millennium Development Goals.

6.2. The Contribution of Identification and Design

3. Has impact been limited by the quality of the models used in converting IFAD's philosophy and theories about poverty into concrete measures to help the poor? Specifically:

- (i) In the case of production and income-oriented projects, has the support offered been taken up by beneficiaries, and has it had the expected effects; if not, what are the most common patterns of failure; and do these have any implications for the processes by which IFAD initiatives are identified?
- (ii) In the case of other types of initiative, was there a thorough review of the diagnosis of the situation, a thorough search for alternative models (both inside the organization's habitual range of information sources, and more widely), generation of a number of viable alternatives, and evaluation of those alternatives against carefully thought out criteria? If not, what pattern of activities was followed, and how might this be improved upon?
- (iii) How effective has IFAD been in producing (or catalyzing) innovations to cope with institutional and technical problems? What are the limitations on improving the innovation function in the organization?
- (iv) What is IFAD's model of the how replication and catalytic effects are achieved? Is it an effective one?
- (v) What have IFAD's targets been for each of the above types of activity, 6.2 (i) to 6.2 (iv)? Are these reasonably challenging, clear, specific, and have they been well communicated to staff? What are the principal causes of deviation of actual performance from targets?

5.

- (i) How well do the designs of individual initiatives fit into the respective COSOPs, CCA/ UNDAFs, and national poverty reduction strategies? Do they capture synergies with the activities of other agencies?
- (ii) How effective have co-financing arrangements been in generating synergies between IFAD and the co-financer?

6.3. The Contribution of Implementation Strategies and Management

6. How far has the impact of all types of IFAD initiative been limited by failures -- in quantity, quality, or timeliness -- to carry out key technical operations as planned? What have been the main sources of any deficiencies in this area? Do directly-supervised projects differ from others in these respects?

7. How far has impact been limited by failures of the implementers to provide -- at the appropriate time -- the assets on which subsequent technical actions depend? (Here, "assets" is to be read in the wide sense, as the product of the processes of recruitment, procurement, construction, and administrative/legislative change; the establishment of groups or organizations; and the provision of budgetary resources.)

8. Where substantial problems have emerged during implementation, were these responded to promptly and effectively by the parties involved? If not, what were the commonest causes of difficulties? (For example, are difficulties most commonly concerned with solving technical problems, financial problems, dealing with legal/ professional/ contractual relationships with the borrower and other parties, or elsewhere?) How effective have (i) IFAD's M&E systems, and (ii), the supervision arrangements been in dealing with such issues?

9. How far are any problems identified in Key Questions 6, 7, and 8 associated with IFAD's approach to implementation, and its limited field presence? Could they be remedied by developing the project management skills of the staff of the Borrower and other implementing agencies, rather than through heavier investment in organizational infrastructure?

10. With particular reference to those sample projects which have been completed, or are nearing completion, have adequate steps been taken to ensure sustainability? What are the chief factors limiting sustainability of IFAD projects?

6.4. The Contribution of the Detailed Design and Planning Processes

11. Given the quality of the processes by which IFAD's initiatives are identified, how effective are the organization's detailed planning and design procedures, with particular reference to the following areas: the production of realistic and feasible implementation schedules; the production of phased expenditure forecasts which minimise subsequent financial turmoil; technical quality (e.g., in economy, irrigation, credit, small rural business development, etc); and timeliness, with respect to both agricultural and administrative deadlines in-country?

12. What are the main time pressures on IFAD staff (e.g., arising from workload in relation to staff numbers)?

13. Which aspects of IFAD's culture are most important, in terms of their impact of the organization's effectiveness?

14. A large proportion of IFAD's design, planning, supervision and M&E work is done through consultants. Is this resource used in the most effective way, and are the procedures for recruiting, supervising, and supporting the on-going professional development of the organization's pool of consultants (particularly those from developing countries) satisfactory? Is there a need for any form of in-house accreditation of consultants needed in those multi-disciplinary areas for which no formal qualifications exist?

6.5. Knowledge Management

15. What formalised knowledge management systems are in existence, both for capturing important lessons from field experience, and (in relation to the multi-disciplinary nature of much of IFAD's sphere of operations) ensuring that staff are kept up-to-date with recent developments in related disciplines? How effective has the evaluation component of IFAD's M&E systems been in identifying needs for changed practices and new information, and have the knowledge management systems been effective in supplying and applying these?

6.6. Long-Term Organizational Issues

16. What have been the main impacts of the two phases of the re-engineering process and the ongoing strategic change process on IFAD's ability to produce and manage a large portfolio of high-quality anti-poverty initiatives? Have these processes led to the establishment of an appropriate niche for IFAD? Judged on criteria similar to those set out in Key Question 3(ii), above, are the expectations of future improvement in IFAD's performance well founded?

7. MODUS OPERANDI

The methodology used will be that set out in Appendix I; unless otherwise indicated, the investigations are to rely on primary data collected by the team members.

7.1. Sampling

The investigations will be carried out on a sample of countries and a sub-sample of projects, selected according to the following broad principles, which provide for a stratified random sampling of IFAD initiatives. (It is essential that the evaluators avoid working exclusively with "interesting" countries and initiatives, as this would render it impossible to attempt any form of estimation of the overall impact. It would also make it extremely difficult to refute suggestions that the result (whether positive or negative, in terms of IFAD's apparent ability to achieve impact) was an artefact of the sampling process.)

A suitable clustered, stratified sampling scheme would be the following:

- Build the sampling scheme around IFAD's 5 Regions, excluding the new member countries of Eastern Europe, and Western Asia (Cluster 6), and making a separate cluster of those projects in which there has been a substantial amount of co-financing of social expenditure (Cluster 7).
- Within each region (Clusters 1-5), get a subjective ranking of countries by the Division staff, according to the level of IFAD activity in each; divide the countries into two sets, by taking the mid-point of that ranking. Select one country at from each half, using a biased roulette wheel method that makes the probability of selection proportional to the rural population.
- Repeat this for Cluster 6. (Because of the lack of projects approaching completion, the pattern of fieldwork will be need to be modified in these countries.)
- Select two projects at random from the co-finance cluster (Cluster 7).
- Within each country, select four initiatives at random from the list of those which have been completed, or whose original, unextended period will end between 1st January 2001, and 1st January 2004. The proportion of production/income oriented initiatives to other initiatives in the sample should reflect the relative numbers of the two types, in the country portfolio.

This broad scheme may need some adaptation, in the light of the Head of Evaluation Mission's reconnaissance visits.

7.2. In-Country Investigations

In-country investigations will be primarily concerned with the Key Questions 1-10. Five principal types of in-country investigation will carried out.

- (i) For production and income-oriented initiatives, the investigations will focus on impact, the distribution of benefits (by gender and socio-economic group), and beneficiaries' perception of the way that these (and other) benefits have changed their standard of living. Determining impact will involve comparison of income and production for households in the project area and in comparable non-project localities, combined with econometric analysis to estimate the impact of different categories of IFAD projects, and the use of secondary data and any relevant baseline information which is available. Beneficiaries' perception of project impacts will be

determined using insiders' perspectives techniques². Where impact has been less than or different from what was expected, a participatory analysis of the relevant farm and household systems issues will be carried out, using the same methods, augmented by PFM (Participatory Farm Management) methods as necessary.

- (ii) For other types of initiative, impact will be determined by insiders' perspective techniques, working with the direct beneficiaries. Where impact is less than or different from what was expected, it will be necessary to examine both design of the initiative, and its implementation. Investigating the quality of design will require a review of the thoroughness of the search for: alternative diagnoses of the situation; a range of potential solutions; and for an appropriate set of criteria for selection of both diagnosis and solution.
- (iii) The contribution of the quality of implementation management to the success or failure (of all categories of project) will be examined by tracing the history of the sample initiatives, and interviewing those involved. (This will also require visits to the relevant Co-operating Institutions, and further work at HQ.)
- (iv) Where the sample initiatives involve changes in working practices (e.g., if they use the Flexible Lending Mechanism, or are part of the Direct Supervision experiment), interviews will be carried out to determine the advantages/disadvantages of the particular format, and the extent to which it is receiving the necessary nurturing and support; this will feed into the headquarters analysis (see below).
- (v) Interviews and a study of the documentation will be carried out, to examine relationships with donors, and to determine how well IFAD's portfolio fits into other activities in the country.

7.3. Investigations at HQ

These investigations primarily concern Key Questions 11-16; the following main types of investigation will be required:

- (i) The major part of the work will be carried out through open-ended interviews and tracing the history of sample initiatives.
- (ii) The issues connected with institutional culture will be examined using the insiders' perspectives tools referred to in the preceding section.

8. TERMS OF REFERENCE FOR EVALUATORS

8.1. TOR for Head of Evaluation Mission/ Institutions and Management

- (i) Take overall responsibility for the organisation of the Evaluation.
- (ii) Define appropriate assessment and shortlisting procedures, and manage the recruitment of the remaining members of the Team, with the help of the Administrator.
- (iii) Present a recommendation for each position to the Recruitment Subcommittee of the Steering Committee.

² These are techniques which focus on identifying the interviewee's view of what are salient questions and categories; they include ethnographic interviewing techniques, and comparable methods, such as repertory grid, which are specified as Key Skills for the relevant team positions. For more on this issue, see Appendix I.

- (iv) For each position, take all necessary measures to ensure that the contract is properly settled, and the person mobilised by the required date.
- (v) Determine the sample countries and initiatives which are to be the main focus of the fieldwork; and, through the Administrator, ensure that the necessary arrangements for local support, travel and logistics are made.
- (vi) Early in the evaluation, make reconnaissance visits to two countries, to gather background material for the investigations at IFAD HQ.
- (vii) Working closely with the core team of evaluators, design the fieldwork surveys, ensuring that these provide a good estimate of the quantitative impact of IFAD's operations on family incomes; and that they provide a sound basis for assessing the distribution of the benefits (by gender and socio-economic group), and their broader impacts on poverty.
- (viii) Take the lead in the fieldwork, and the subsequent analysis; use this to formulate a response to Key Questions 1 and 2 (overall impact and its distribution), and 3 (other significant benefits).
- (ix) Work closely with the Project Management Specialist to determine what aspects of current implementation procedures (if any) have reduced the impact of IFAD operations, addressing specifically the issues of the IFAD model of supervision and implementation, the extent to which appropriate training methods have been used to impart the right set of skills to the implementing agencies, and the way that responses to emerging problems were handled.
- (x) Take the primary technical responsibility for investigating relationships between IFAD, borrowers, and other partners (Key Question 5).
- (xi) Discuss the findings from the in-country investigations with the borrower and key partners, and record any irreconcilable differences of interpretation for inclusion in the Final Report.
- (xii) On return to HQ after the main fieldwork, take the lead in discussions with the Rural Livelihoods Specialist, Farming Systems Specialist, and IFAD senior management in formulating a response to Key Question 4 (identification and design of initiatives).
- (xiii) Take primary technical responsibility for investigations into the institutional culture of IFAD, the pressures on staff time, the recruitment and use of consultants, and knowledge management issues (Key Questions 12, 13, 14, and 15).
- (xiv) Review the changes in strategy and operational matters which have resulted from the re-engineering and strategic change programme actions during the evaluation period, and, in consultation with IFAD senior management, assess the appropriateness of the organization's general approach to maintaining and developing its long-term effectiveness (Key Question 16).
- (xv) Resolve any tensions and difficulties between the Evaluation Team, and the other parties involved; and, where this is not possible, bring the matter promptly to the attention of the Steering Committee.
- (xvi) In consultation with IFAD senior management, identify up to a maximum of three areas in which problem solving and the development of a recommendation will be helpful, in furthering exploration and diagnosis of each problem area.
- (xvii) Prepare and present to the Steering Committee the reports listed in Section 11.
- (xviii) Deal with any queries related to the Final Report, and prepare and carry out a pre-Board presentation of the main issues and conclusions.

8.2. Project Management Specialist

- (i) Collect detailed implementation histories of the sample initiatives in each country, using documentary information, interviews, and field investigations, to determine the causes of any difficulties.

- (ii) For the sample initiatives, assess the general level of physical achievement, and, in consultation with the Head of Mission, and the Economist/Statistician, assess how far limited physical achievement has contributed to any shortfall in the expected impact.
- (iii) Assess the systems in use by the borrower and implementing agencies for managing the flow of physical activities, paying particular attention to the distinction between the setting-up phase (covering provision of funds, establishment of groups, associations and other legal entities, procurement, recruitment, and construction), and the operational phase of those projects.
- (iv) Assess the systems in use by the borrower and implementing agencies for managing the flow of expenditure, paying particular attention to the effectiveness of the provisions for regular financial review.
- (v) Assess the procedures used for supervision by the CIs for each of the sample countries.
- (vi) Working closely with the Head of Mission, assess the responsiveness of the various borrower, partner agencies, and CIs (and IFAD) to any significant technical and institutional problems that arose during implementation, and the effectiveness of current reporting systems, both as channels for communicating problems (and opportunities), and as a means assuring the Borrower and IFAD that they are retaining effective control of the operation.
- (vii) Working closely with the Head of Mission, assess the level of skills in key techniques and areas, including the operation of systems for control of physical activity and expenditure; reporting systems; diagnosing and responding to emerging problems, particularly where these are complex or have strong political or social dimensions.
- (viii) Working closely with the Head of Mission and Controller's Office, assess the approaches used by IFAD staff and consultants in constructing implementation schedules and phased expenditure forecasts, with particular reference to the potential problems created by underscheduling and unrealistic phasing of release of funds.
- (ix) Review the problems encountered by Controller's Office, Country Portfolio Managers, and Divisions in responding to urgent requests for additional funds, acceleration of/ variation in the pattern of release of funds, and requests for variance between budget headings.
- (x) Working closely with the Head of Mission, formulate a response to Key Questions 6,7,8, and 9 (implementation planning and management).
- (xi) Analyse the factors affecting the sustainability of the sample projects (Key Question 10).
- (xii) Carry out such other activities as the Head of Mission may reasonably request.
- (xiii) Make recommendations on improvements to the general approach to managing implementation, the tools and techniques used, and any additional investments in skills required.
- (xiv) Provide a concise report on the above matters, in a format to be agreed with the Head of Mission.

8.3. Economist/Statistician

- (i) Assist the Head of Mission with the design of sampling schemes at all levels of the investigation involved in the Evaluation.
- (ii) For those projects whose orientation is primarily towards production and income raising, design an investigation to determine the impact of the initiatives on household income, relative to the pre-project situation, and taking account of the impact of other changes that would have happened in the project's absence. This investigation should not only lead to an estimate of impact, but also to its distribution by gender and socio-economic group.

- (iii) Produce a set of weights suitable for converting the estimates from the sample into an overall measurement of impact, and estimate that impact.
- (iv) Examine the possibility of producing an econometric estimate of the contribution of various project characteristics on their ability to achieve their planned impacts; and, if this appears feasible, carry out this analysis.
- (v) In each of the sample countries, make an assessment of the extent to which the economic and policy environment supports IFAD's efforts.
- (vi) Assist the Head of Mission with his/her inquiries into the construction of IFAD's country portfolio, and its relationship with the Borrower, and with other current and potential partners.
- (vii) Carry out such other activities as the Head of Mission may reasonably request.
- (viii) Provide a concise report on the above matters, in a format to be agreed with the Head of Mission.

8.4. Rural Livelihoods Specialist

- (i) Work closely with the Head of Mission and the Economist/Statistician, to design and carry out field investigations into the factors affecting the impact of income- and production-oriented projects.
- (ii) Assist the Head of Mission, and the Economist/Statistician, in determining where the benefits of the projects have accrued, with particular reference to gender issues, child nutrition, health, and welfare.
- (iii) Identify the factors which have limited the distribution of benefits of the sample projects, particularly where these have had a negative effect on women or the poorest sections of society.
- (iv) For those projects in which there has been an important co-financing element directed at other parts of the poverty syndrome (e.g., health and education), design and carry out investigations to determine how effective the collaboration has been.
- (v) Act as resource person supporting other team members in investigations to determine the impact of IFAD's initiatives on beneficiaries' standard of living and in elucidating the beneficiaries' perceptions on this issue.
- (vi) Carry out such other activities as the Head of Mission may reasonably request.
- (vii) Provide a concise report on the above matters, in a format to be agreed with the Head of Mission.

8.5. Farming Systems Specialist

- (i) Work closely with the Head of Mission, and the Economist/Statistician, to design and carry out the field investigations on the factors affecting the impact of income- and production-oriented projects, with special reference to system effects on the uptake of the facilities, technologies, and other support offered to beneficiaries.
- (ii) Act as resource person to the other team members, in the areas of farm/ household budget analysis, and farming systems analysis.
- (iii) In consultation with the Head of Mission and the Rural Livelihoods Specialist, determine whether there are any areas where project performance has been affected by the technical methods embodied in the design of the project. ("Technical" refers to agronomy, irrigation, small business promotion, microfinance, etc.)
- (iv) Draft TORs for the appointment of the relevant Technical Specialists.
- (v) Carry out such other activities as the Head of Mission may reasonably request.
- (vi) Provide a concise report on the above matters, in a format to be agreed with the Head of Mission.

9. STAFF PROFILES

In all cases, the existence of any significant conflict of interest would be an absolute disqualification for the post. "Conflict of interest" means any concurrent assignment with IFAD; any involvement in as a staff member or consultant in the management, re-engineering, or strategic change processes which have taken place in the agency during the evaluation period; any of the earlier reviews/ evaluations; or a work history in which more than 15 percent of working days were spent working, directly or indirectly, for IFAD.

9.1. Head of Evaluation Mission

An institutions and management specialist, who will have extensive experience of applying these disciplines to organizations and projects in the development field, extensive experience of evaluation, and good team leadership skills. He/she should be able to demonstrate competence in the key techniques identified in Appendix I, Section I.3 (i), (ii), and (iii).

9.2. Project Management Specialist

An experienced project manager, who has worked in project management in a hands-on capacity (either in an executive role, or as a CTA or similar), has evaluation experience, and who can demonstrate competence in applying the full range of key techniques identified in Appendix I, Section I.3 (v). Experience of evaluation work is desirable, but not essential.

9.3. Economist/ Statistician

An economist, qualified to at least Masters level, and with a wide experience in economic analysis at micro and macro levels in developing countries. He/she should be able to demonstrate competence in the design and analysis of sample surveys (for both quantitative and qualitative data), and have good experience of the application of econometric techniques to practical problems, including evaluation.

9.4. Rural Livelihoods Specialist

An anthropologist or rural sociologist with wide experience, in a range of developing countries, of the investigation of household strategies for survival and food security. Experience in the evaluation and/ or management of projects concerned with strengthening survival strategies, raising incomes, or enhancing food security is essential; the person recruited must be able to demonstrate competence in the key techniques identified in Appendix I, Section I.3 (iii) and (iv), and a sound knowledge of gender issues.

9.5. Farming Systems Specialist

An agronomist with wide experience, in a range of developing countries, of the investigation of farming systems in the context of household strategies for survival and food security. Experience of the evaluation and/ or management of projects concerned with strengthening survival strategies, raising farm incomes, or enhancing food security is essential; the person recruited must be able to demonstrate competence in the key techniques identified in Appendix I, Section I.3 (iv), particularly PFM techniques.

10. DOCUMENTS TO BE CONSULTED

The evaluators will familiarize themselves with the relevant parts of the following documents:

- (i) Rural Poverty Report. IFAD, 2001.
- (ii) IFAD Annual Report (most recent available).
- (iii) Enabling the Rural Poor: Strategic Framework for IFAD Operations 2002-2006.
- (iv) Regional Strategy Paper, for each of the 5 Regions.
- (v) Assessments of Rural poverty, for each of the 5 Regions.
- (vi) External Review of the Results of and impact of IFAD Operations (Feb 02).
- (vii) Comments from IFAD Management on External Review of the Results and Impact of IFAD Operations. (REPL.VI/3/R.9).
- (viii) Chairman's Summary of the Deliberations on the External Review of the Results and Impact of IFAD Operations (REPL.VI/3/INF5).
- (ix) Guidelines: Design Document and Key File. PMD, June 2001.
- (x) COSOPs for each country to be visited.
- (xi) Project Design Documents, and Supervision Mission Reports for the selected initiatives.
- (xii) (Where available) Project Evaluations/ Interim Evaluations for sample initiatives.
- (xiii) Towards an Impact Evaluation Methodology: A Guiding Framework and Key Questions for Project Evaluation. OE, IFAD, Feb 2002.
- (xiv) A Guide for Project M&E. OE, IFAD, 2003.
- (xv) The Flexible Lending Mechanism: Responses to Commonly Asked Questions.
- (xvi) Status Report on the Flexible Lending Mechanism. IFAD Board Paper EB 2002/76/R.8/Rev.1
- (xvii) Working Paper: Independent External Evaluation of IFAD: Draft Proposals And Analysis of Issues (Office of Evaluation).

11. REPORTING

The Head of Evaluation Mission will prepare the following reports, with inputs from other members of the team as indicated in the individual TORs:

- (i) *Inception Report and Workplan.* This is to be submitted as soon as practicable after the completion of the reconnaissance visits; it will say which countries are to be visited, present a revised version of the skeleton timeframe in Section 13 of these TOR, and outline any refinements to the methodology which the Head of Mission intends to make.
- (ii) *Quarterly Progress Reports.* At the end of each three months period from the date of his/ her appointment, the Head of Mission will prepare a *brief* statement of progress, and note any issues which are likely to affect progress during the following 3 months.
- (iii) *Final Report.* The Head of Mission will collate the inputs of the team members, and prepare a final report, to be submitted by the last Friday of August 2004. This report will be prefaced with an executive summary; its structure will, as far as possible, follow the content and sequence of the Key Questions set out in Section 6, and must address each of those questions, and explain the methods and information sources used to answer each.

Each of these reports will conform to the following standards: it will be clear; it will be written in a direct style, avoiding euphemisms when describing problems and

performance; it will be concise and as brief as possible, consistent with clarity; and, except for explicit quotations, will avoid the use of cut-and-paste.

12. GOVERNANCE

12.1. Steering Committee

(i) **Structure and Composition.** The steering committee will consist of the following positions:

- Chairman, a member of and chosen by the Evaluation Committee.
- Secretary/Convenor, who will be a senior member of the Office of Evaluation and Studies; as this officer will need to be available throughout, a substitute will have to be nominated, to cover for his/her absence. This person will be responsible for ensuring that the arrangements for recruiting the Head of Evaluation Mission are completed on time; for the direct recruitment of the Secretariat staff; for arranging routine meetings; and for bringing extraordinary items to the notice of the Recruitment Sub-Committee (see below), for to the Steering Committee itself, as appropriate.
- Members (9). These will be selected from the A, B, and C lists, by agreement between the convenors of the respective lists and their members, in the proportions 4A: 2B: 3C.

(ii) **IEE Steering Committee Functions.** The functions of the Steering Committee will be as follows:

- Amend/ approve the TOR for the Independent External Evaluation.
- Appoint the Head of Evaluation Mission. The Secretary/ Convenor will be responsible for detail of this recruitment process; SC may review the recruitment procedure, and conduct interviews. It may also choose to delegate some of these activities to the Recruitment Sub-committee, in the interests of speed.
- Approve the appointment of Evaluators.
- Provide the formal authority for the Evaluators' interactions with Borrowers, CIs, and all parts of IFAD.
- Resolve any problems arising in those interactions which cannot be dealt with by the Head of Evaluation Mission and the Secretary/ Convenor.
- Receive the Evaluators' reports.
- Provide such comments as it feels are necessary, in response to the inception and quarterly reports, those comments having purely advisory status.
- Obtain and collate IFAD Management's response to the final report.
- Transmit original report plus comments to Board, via the Evaluation Committee, together with its own comments.

12.2. Recruitment/Recruitment Sub-Committee

The Steering Committee will appoint a Recruitment Sub-Committee, consisting of the Secretary/Convenor, and three members who are readily available in Rome. The principal function of this sub-committee is to deal with all matters related to the appointment of the Evaluators and Technical Specialists.

12.3. Recruitment Procedures

The Head of Evaluation Mission will be recruited through a head-hunting firm, selected by the Steering Committee; he/she will then lead the recruitment process for the remaining team members.

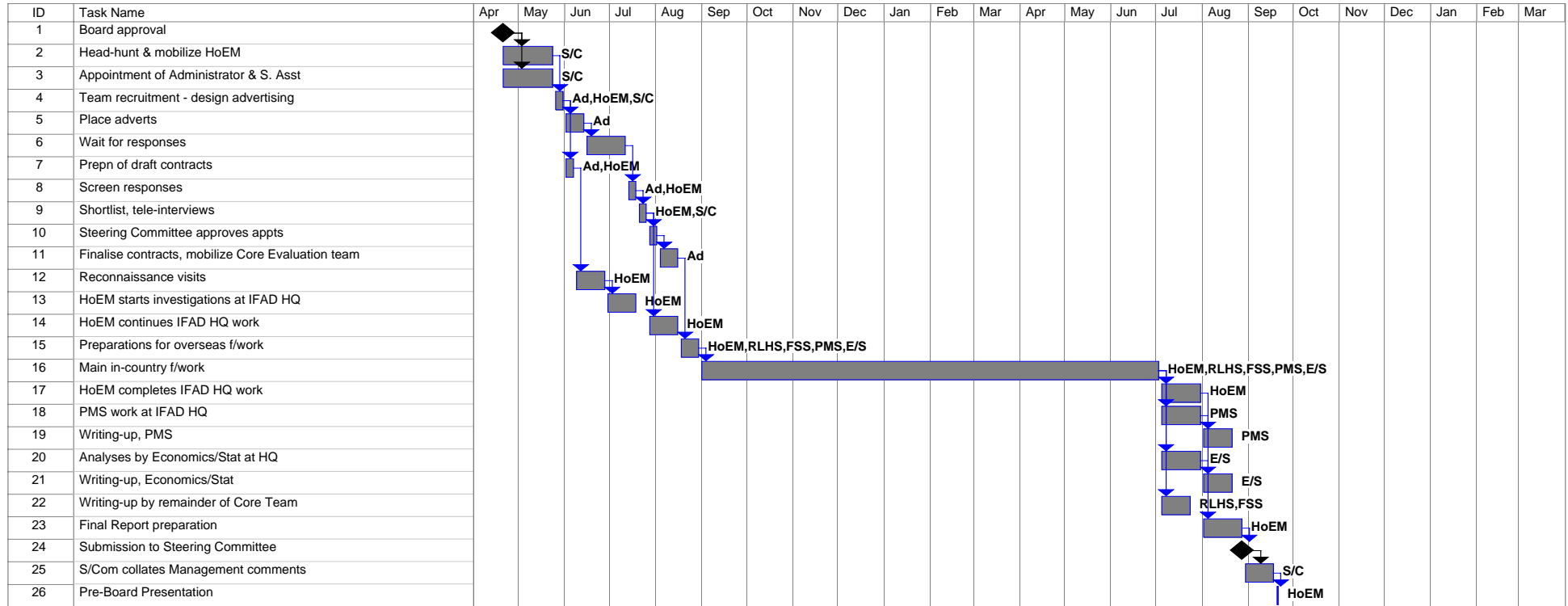
The recruitment procedures must be open and transparent. They must ensure selection provides the key skills identified in Section 9, and explained in Appendix I: throughout the recruitment process, the primary criterion for selection must be the possession of the appropriate skills and experience. While the balance of provenance, gender, and language capability must be subordinate to this, there should be no problem in maintaining such a balance provided that the channels used in advertising for candidates are carefully chosen, to ensure access to the large pool of capable candidates in each of IFAD's regions. There will need to be a preliminary screening of applications, to reduce them to a manageable number, followed by a shortlisting procedure; the Head of Evaluation Mission will take up references for, and carry out telephone interviews with, the shortlisted candidates; and he/she will submit a recommendation for appointment to the Recruitment Sub-committee.

13. TIMEFRAME

The following timeframe has been constructed from the taskload established in the individual TORs, and the sampling scheme. The abbreviations used to identify individuals are:

- S/C Secretary/ Convenor
- Ad Administrator
- FSS Farming Systems Specialist
- E/S Economist/ Statistician
- HoEM Head of Evaluation Mission
- RLHS Rural Livelihood Specialist
- PMS Project Management Specialist

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14. BUDGET DETAILS

The total budget is US\$ 1.7 million. This includes IFAD's charge for administering the funds contributed by members, calculated on the assumption that these will amount to half the total, and using the standard charge of 5% (plus retained interest). It also includes a 5% allowance for contingencies). The estimates for the Technical specialists assume that only 3 of the 4 will actually be needed. The cost breakdown is set out below.

IFAD IEE: Budget Details

HEADING	Persons	Units	Number of Items	Amount/ rate	Item total	Sub-totals
Honoraria & salaries:						
Head of Evaluation Mission	1	Months	16	18000	288000	
Project Management Specialist	1	Months	12	16500	198000	
Economist/Statistician	1	Months	12	15000	180000	
Rural Livelihoods Specialist	1	Months	11	12000	132000	
Farming Systems Specialist	1	Months	11	12000	132000	
Technical Specialists	3	Months	2	12000	72000	
Administrative Assistant	1	Months	12	6000	72000	
Secretarial Assistant	1	Months	16	3000	48000	
Interpreter	1	Months	7.5	4800	36000	
Field Assistants	2	Months	7.5	2400	36000	
Sub-total, US\$					1194000	1194000
Airfares						
Assignments of HoEM & Core Team	6	Trips	1	1300	7800	
HoEM Reconnaissance visits	1	Trips	2	2000	4000	
Country visits, all except Project Management Specialist	5	Trips	14	2000	140000	
Country visits & visit CIs, Project Management Specialist	1	Trips	17	2000	34000	
Sub-total, US\$					185800	185800
DSA						
Home:						
Head of Evaluation Mission	1	Weeks	32	1470	47040	
Project Management Specialist	1	Weeks	14	1470	20580	
Economist/Statistician	1	Weeks	14	1470	20580	
Rural Livelihoods Specialist	1	Weeks	12	1470	17640	
Farming Systems Specialist	1	Weeks	12	1470	17640	
Technical Specialists	3	Weeks	1	1470	4410	
In-country						
HoEM & Core Team - In-country, Major City	6	Weeks	20	150	18000	
HoEM & Core Team - Elsewhere	6	Weeks	20	40	4800	
Field assets/Interpreter - In-country, Elsewhere	3	Weeks	20	30	1800	
Technical Specialists	3	Weeks	20	8	480	
Sub-total, US\$					152490	152490
Vehicle Hire & Miscellaneous						
Vehicle hire	1	Vehicle-weeks	70	700	49000	
Miscellaneous for country visits	1	Trip	16	500	8000	
Software, acquisition of external documentation, etc	1	Lump sum	1	3000	3000	
Recruitment fee for HoEM	1	Lump sum	1	7500	7500	
Sub-total, US\$					67500	67500
Provisional total						1599790
Administrative charge				1.025		
Contingencies				1.05		
GRAND TOTAL, US\$						1721773.99

APPENDIX I METHODOLOGY

There are a number of important considerations which bear on the design of the evaluation, and on the types of skills required in the evaluation team; these arise from the complex nature of the field in which IFAD operates, and are to be taken as an essential part of the context of the TOR.

I.1. Evaluation and the Nature of the Poverty Alleviation Process

The alleviation or elimination of poverty is an ill-structured problem, that is, the causes and nature of the phenomenon are open to dispute; there is no agreed set of methods for attacking poverty that are known to have a high probability of success; and different groups of actors may apply different values to the outcome of any one specific anti-poverty initiative. At the same time, approaches to this problem are constantly evolving.

As a result, any evaluation in this area is in effect an evaluation of an experimental activity; levels of success relative to aspirations may be low when compared to a purely physical activity (such as the construction of infrastructure). Without lowering the importance of accountability, the importance of the evaluation as a learning exercise for management and professional staff has to be given due weight.

Any agency that operates in this field will have initiatives which are directly oriented towards increasing production, income, and/or food security, which can be measured quantitatively. However, important parts of its portfolio will not be capable of being measured in this way, and other methods will be required to evaluate them. Virtually all components of this part of the portfolio will involve a degree of trial and error; the acceptability of the level of achievement will depend upon the extent to which (a) the trials were well chosen, and (b) the extent of effective learning from error. A structured approach for assessing these is defined below.

(i) Production and Income Oriented Initiatives

Even in this case, there are substantial methodological difficulties. Estimates can be made by constructing household budgets, and comparing these with estimates of change in similar situations in the absence of the specific support provided by the project; and the latter estimates may be derived from primary or secondary data. All of the likely sources require careful interpretation. Despite these difficulties, there would be cause for concern if the effect of IFAD's efforts in these relatively clear-cut cases could not be distinguished from the background statistical noise.

Two other aspects of these initiatives need to be evaluated. The first concerns the distribution of their impact by gender and socio-economic group; and the second is their wider impact on the beneficiaries' quality of life, as perceived by themselves. In those cases in which there has been an important element of co-financing with agencies which focus their support on social expenditure (including health and education), the impact on the beneficiaries' perceived quality of life will be particularly important; where it is possible to evaluate this in terms of production in specific, targeted variables, this should be done. Where it is possible to analyse the contribution of different project characteristics (such as the amount of institutional support or capacity building provided), this should also be done.

(ii) ***Other Initiatives***

These include: measures to promote policy dialogue, and formulation of strategy by government, local government, and CSOs; technical assistance grants, for research and other purposes; conflict mediation, and measures to assist with post-conflict recovery; rural institution building, capacity building, and empowerment; and pro-poor advocacy.

In all these cases, there is no direct and final payoff in terms of household production and income. Rather, the objective is to modify either the skills of the players, or the state of the field, to enhance the effectiveness of direct anti-poverty efforts in the future. The key evaluation question in such a case is, how far is what was done a rational response to the problem or opportunity in question? For an ill-structured problem, the obvious test of rationality -- whether sound methods were used to select the best option -- no longer works, since there is no clearly identifiable optimal choice. Instead, evaluation has to focus on the extent to which a diligent exploration was made of alternative diagnoses of the specific situation, to crafting a suitable response, and to managing the flow of problems and opportunities that arose during implementation; specific standards for this are indicated below. (A similar principle applies to the evaluation of new changes in working practice, which have not yet generated any final impact on poverty measures.)

I.2. Evaluation of Management and Implementation

The management and implementation of both sections of the overall portfolio will be done in the same way. However difficult it is in principle to evaluate the design of the second category of initiatives, once a decision has been made to proceed in a particular way, the same best current practices for implementation apply to both.

I.3. Key Skills and the Frame-of-Reference Problem

Particularly in the context of diagnosing the reasons for any underachievement, standards are required, against which performance and choice of tools can be judged. In a small number of key areas, this is problematic, because one of the following applies:

- suitable standards do not exist;
- standard exist, but are controversial; or
- a standard has been adopted in a particular sector or discipline, which conflicts with best current practice.

It is important that (a) all parties agree on an appropriate set of standards, and, (b) evaluators are recruited who are familiar with and can apply those standards. Neglect of this issue could lead to a situation in which the results of the IEE were open to challenge, and some of the concerns which led to the request for this evaluation are not laid to rest.

An illustration of this problem is provided in Box 1.

BOX 1

FRAMES OF REFERENCE IN EVALUATION:

INNOVATION

The issue of evaluating the innovatory activities of an organization is complicated by the existence of two contrasting frames of reference. Practitioners using the first frame of reference (I) believe that innovation springs from a knowledge of first principles, combined with some form of "inspiration". Practitioners of the other, II, by contrast, believe that innovation results from breaking down preconceptions about practical constraints on possible solutions (which may no longer be relevant, if things are done differently), and the recombination of concepts in the novel way (often involving a verbal or visual pun).

As a result of this difference in starting points, the two schools of thought will evaluate this aspect of the same organization in different (and often contradictory) ways:

- Practitioner I looks for effective scouting and information search for new ideas, conventional brainstorming, and good dissemination techniques; he/she is assessing the organization's ability to pick up, adapt, and broadcast innovations.
- Practitioner II looks for the application of specific techniques to support the client's own review of their preconceptions about the problem and its potential solutions (key techniques include challenge groups, repertory grid, etc.), and for the application of specific, structured and creative design and decision-making techniques (such as synectics, DBS, etc). For the latter type of practitioner, scouting, adaptation, and dissemination still matter, but the primary criterion is the organization's ability to work with clients as a generator of innovation.

Different frames of reference will produce very different evaluations, and this has major implications for the TOR, and for the recruitment of evaluators.

The areas affected are listed below; in each case, an acceptable set of approaches is identified, and distinguished from unacceptable ones. Ability to demonstrate skill in the key techniques is a primary part of the qualifications for positions on the evaluation team.

(i) Innovation

Acceptable approaches include the type II methodology defined in the Box.

Unacceptable approaches are those which focus exclusively on scouting, brainstorming, and dissemination issues.

(ii) Analysis of Institutional Structure and Procedures

Acceptable approaches include the application of insights and techniques to address the issues of organizational politics and conflict, and defective decision processes. Key techniques include configuration (Mintzberg-type) analysis for the former, and critical review tools (including challenge groups), and Decisional Balance Sheet (or related techniques) for the latter.

Unacceptable approaches are those which focus more or less exclusively on the analysis of structures, job descriptions, and procedures.

(iii) Analysis of Institutional Culture

Acceptable: applications of the concept that culture is a shared set of ideas that govern the behaviour of members of an institution. These ideas will usually consist of:

- goals and values;
- theories about how the institution and its operational arena work (e.g., beliefs about the importance of community development, relative to reliance on market forces);
- systems of classification e.g., of different types of approach to design; and
- conventions about normal working behaviour, modes of communication, etc.

The key techniques are all oriented towards determining the “insiders’ perspective”, and include ethnographic interview methods and related methods, such as repertory grid.

Unacceptable: any of the following alternative frameworks:

- All cultures share the same basic aspects, but with different emphases; they can be evaluated with questionnaire-type instruments, e.g. the Hofstede dimensions.
- Cultures mainly differ in tolerance for various deviant types of behaviour (such as corruption or nepotism), or in other fairly superficial ways.
- Institutional cultures are determined by management actions (e.g. through the publicizing of mission statements, etc).

(iv) Beneficiary Evaluation of Projects

Acceptable: any effective “insiders’ perspectives” approach, of the kind mentioned in (iii) above; for the specific case of projects with a strong agriculture component, the PFM (Participative Farm Management) methodology.

Unacceptable: Questionnaire-type instruments, particularly those that measure *affect* on a numerical or a graded verbal scale (affect is the extent of positive feeling about some issue). The problem here is twofold. First, responses to this type of instrument are known to

be very sensitive to the precise choice of wording; they need extensive pre-testing and fine-tuning in the particular community. In the IFAD context, this is impractical (particularly given the language problems). Secondly, even when this first disadvantage is overcome, there is known to be very little correlation between measures of affect and action (so that people may rate an approach highly, but not participate if it is duplicated or extended -- this raises the question of the real meaning of the responses collected).

(v) ***Implementation Management***

Acceptable: approaches which include critical path methods for planning, scheduling and implementation management; the application of appropriate communications tools (e.g. information triage, or equivalent communication aids in reporting systems); effective tools for handling the difficult decisions that may arise during implementation (e.g., Decisional balance Sheet, DBS); and the construction of compact, relevant system of indicators for monitoring operational progress. These are the only acceptable approaches under this heading.

I.4. Sampling

This is a crucial issue. Unless the evaluation is based on some form of stratified random sampling of IFAD initiatives, the results will be unreliable and open to challenge on the grounds of bias. In particular, if the evaluators only work with "interesting" countries and initiatives, it would be impossible to attempt any form of estimation of the overall impact; and extremely difficult to refute suggestions that the result (whether positive or negative, in terms of IFAD's apparent ability to achieve impact) was an artefact of the sampling process. There is also a strong likelihood that such purposive sampling would exclude countries and sectors in which IFAD encounters operational difficulties, thus limiting the usefulness of the diagnostic part of the evaluation as a learning exercise. Purposive sampling will also invalidate any attempts at significance testing, as these depend upon random sampling.

A suitable clustered, stratified sampling scheme would be the following:

- Build the sampling scheme around IFAD's 5 Regions, excluding the new member countries of Eastern Europe, and Western Asia (Cluster 6), and making a separate cluster of those projects in which there has been a substantial amount of co-financing of social expenditure (Cluster 7).
- Within each region (Clusters 1-5), get a subjective ranking of countries by the Division staff, according to the level of IFAD activity in each; divide the countries into two sets, by taking the mid-point of that ranking. Select one country at from each half, using a biased roulette wheel method that makes the probability of selection proportional to the rural population.
- Repeat this for Cluster 7. (Because of the lack of projects approaching completion, a different pattern of fieldwork will be needed in these countries.)
- Select two projects at random from the co-finance cluster.
- Within each country, select four initiatives at random from the list of those which have been completed, or whose original, unextended period will end between 1st January 2001, and 1st January 2004. The proportion of production/income oriented initiatives to other initiatives in the sample should reflect the relative numbers of the two types, in the country portfolio.

