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IFAD
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REPORT OF THE CHAIRPERSON ON THE
FORTY-FOURTH SESSION OF THE EVALUATION COMMITTEE

For: Review

REPORT OF THE CHAIRPERSON ON THE FORTY-FOURTH SESSION OF THE EVALUATION COMMITTEE

1. This report covers the deliberations of the Evaluation Committee during its forty-fourth session on 8 September 2006. There were five agenda items for discussion: (a) election of the Chairperson of the Evaluation Committee; (b) preview of the Office of Evaluation's work programme and resource issues for 2007; (c) evaluation of IFAD's Regional Strategy for Asia and the Pacific; (d) review of the President's report on the implementation status of evaluation recommendations and management actions, together with comments of the Office of Evaluation (OE); and (e) evaluation of IFAD's Action Plan for Improving its Development Effectiveness.
2. All Committee members (Belgium, Cameroon, Germany, India, Indonesia, Mexico, Nigeria, Sweden and Switzerland) took part in the session. Observers were present from China, France, Pakistan and the United Kingdom of Great Britain and Northern Ireland. Various IFAD staff were present, including the Assistant President, Programme Management Department (PMD); the Director, OE; the Director, Asia and the Pacific Division; the Executive Director of the Action Plan; and others.
3. **Election of the Chair.** Mexico was elected as Chair of the Evaluation Committee for the period from September 2006 to August 2007. It was further decided that Indonesia would take over from Mexico as Chair of the Committee in September 2007 until the end of the tenure of the present Committee.
4. **Preview of the 2007 OE work programme and resource issues.** The Committee noted the significant increase in the proposed OE work programme and budget for 2007 but was assured that 2007 would be an exception in this respect and that the level of the work programme and budget was expected to decrease again in 2008 as compared with next year's proposal.
5. The larger work programme and estimated budget for 2007 was driven by four key factors: (a) the increase in higher-plane evaluations, e.g. country programme evaluations and the joint evaluation to be conducted with the African Development Bank (AfDB) on the agriculture and rural development strategies and operations of IFAD and AfDB in Africa, which will require an increase in the level of effort and resources; (b) the request for two additional evaluation officer posts (one regular and one temporary) as a result of an OE workload assessment conducted by an independent consultant in cooperation with the Office of Human Resources, which will be completed by the end of September 2006; (c) the increase in the salaries of General Service staff recommended by the International Civil Service Commission; and (d) as is the case for the rest of IFAD, the overall increase in both the staff and non-staff cost budget categories.
6. In presenting its proposed 2007 work programme and resource issues, OE underlined the structural change in the main components of its work programme, entailing a shift from project to higher-plane evaluations, such as country programme, regional strategy and corporate-level evaluations. These evaluations are far more complex and resource-intensive to undertake than project evaluations. The shift in emphasis to higher-plane evaluations, which is consistent with trends at other United Nations organizations and international financial institutions, has already been witnessed in recent years and stems from a number of reasons, including the decision by the Executive Board that OE undertake evaluations of various key corporate policies, strategies and processes, and the increase in the number of country programme evaluations. Despite the heightened emphasis on higher-plane evaluations, the Committee was assured that OE would continue to conduct a critical mass of project evaluations in the future.

7. The shift towards higher-plane evaluations has important consequences for OE human and financial resources. In the past, the increased pressure on resources was accommodated through key efficiency gains within OE, obtained through enhanced evaluation methodologies, mainstreaming of communication processes within individual evaluation activities, and extraordinary efforts by OE staff. However, the proposed increase in the overall size and the evolving nature of the 2007 OE work programme significantly outstrip the efficiency gains that the Office has been able to achieve.

8. The Committee expressed its overall concurrence with the priorities, work programme and resource issues proposed by OE for 2007. It was satisfied that the estimated increase in the proposed 2007 budget was entirely the result of the growth and complexity of the proposed work programme. Moreover, the Committee agreed that all the evaluation activities planned for 2007 were important and necessary. In particular, the Committee expressed support for the joint evaluation with AfDB. However, given the importance and complexity of the exercise, it requested that OE provide additional details on the joint evaluation for discussion at the forty-fifth session of the Evaluation Committee in October, within the framework of the discussion on the proposed OE work programme and budget for 2007. In addition, the Committee requested that OE – while finalizing the 2007 work programme and budget – explore the possibility of deferring the commencement of some evaluations in an effort to reduce the proposed level for 2007.

9. **Evaluation of IFAD's Regional Strategy for Asia and the Pacific.** The Evaluation Committee then discussed the evaluation of IFAD's strategy in Asia and the Pacific (EVEREST) – the first such evaluation of IFAD's five regional strategies – together with the agreement at completion point. The latter articulates IFAD management's concurrence with the EVEREST's main findings and its agreement to adopt and implement the recommendations. While agreeing with the evaluation's main findings and recommendations, the Committee noted that OE had done a good job, especially given that the regional strategy adopted in 2002 had no results framework, thus making its evaluation particularly challenging. Having heard the responses to queries on the usefulness of regional strategy evaluations, the Committee noted that the EVEREST had arrived at robust and far-reaching conclusions that would serve as key building blocks for the further development of IFAD's strategic direction and activities in the region. However, overall concern regarding the usefulness of regional strategies remains, which may necessitate further reflection.

10. The Committee noted that portfolio performance in the region had been good, especially when compared with the IFAD-wide ratings contained in the Annual Report on the Results and Impact of IFAD Operations. Concerns remained, however, about the systematic promotion of innovation, replication, scaling up, policy dialogue and partnership strengthening, targeting and sustainability, which the evaluation recognized as areas in need of improvement. Moreover, the EVEREST concluded that portfolio performance and overall results could have been better if more systematic business-process management had been in place. The evaluation found that three of the five strategic directions listed in the regional strategy of 2002 – namely, reducing poverty among indigenous peoples, enhancing the capabilities of women, and building coalitions of the poor – were appropriate strategic directions for IFAD in Asia and the Pacific. However, the EVEREST noted that the development of less-favoured areas and enhancing peace for poverty reduction should be reconsidered before inclusion in the new regional strategy. Finally, the EVEREST noted that the regional strategy did not fully serve as an effective management tool as it did not, for example, include performance indicators nor did it elaborate on the resources required for effective implementation of the strategy.

11. The Committee found particularly interesting the evaluation's coverage of selected IFAD business and management processes, such as human and financial resources management, and the links between them and the overall results achieved by the Fund in the Asia and the Pacific region. Moreover, the Committee was assured that, in compliance with its terms of reference, it would have a chance to discuss the new IFAD regional strategy to be developed by management, before its presentation to the Executive Board in 2007.

12. Finally, the Committee noted that IFAD, and particularly the Asia and the Pacific Division, had found the EVEREST very useful. Management is, however, further considering whether to develop a new regional strategy, which was a key recommendation in the evaluation's agreement at completion point.

13. **The President's report on the implementation status of evaluation recommendations and management actions (PRISMA).** The Committee noted that the implementation rate of evaluation recommendations reported in this year's PRISMA report was quite encouraging. Moreover, management expressed overall agreement with OE's comments on the report, highlighting that it would make a specific effort to address evaluation recommendations on systematic issues, such as the need to improve project-level monitoring and evaluation systems and to include provisions to enhance sustainability as early as possible in the project/programme cycle.

14. As reflected in OE's comments on the PRISMA report, the Committee agreed that there were considerable improvements in the report over last year's submission. The Committee also acknowledged the constructive working relationship between PMD and OE in the preparation of this important document. While it acknowledged a marked improvement in the analytical content of the report, the Committee suggested that in future it would be beneficial for the document to also cover broader strategic issues, in addition to focusing on project-specific matters. This would provide a better understanding of the extent to which management had put in place the necessary mechanisms to ensure sustained changes conducive to improved performance and better results in IFAD activities. Management underlined that IFAD resource constraints need to be taken into account by the Board when assessing the implementation of recommendations.

15. **Evaluation of IFAD's Action Plan for Improving its Development Effectiveness.** As requested by the Executive Board at its eighty-seventh session in April 2006, the Committee further discussed the proposal by OE concerning the evaluation of the Action Plan (see annex I to document EB 2006/87/R.2). In this regard, the Committee agreed that, given the early stage of the implementation of the Action Plan, it was not possible to conduct a "traditional" evaluation with a focus on overall results and impact. Hence, the proposal was to conduct a process evaluation of some aspects of the Action Plan in which OE had gained experience in the past.

16. Furthermore, the Committee agreed that the proposed evaluation should consist of comments in the form of evaluation notes on a limited number of deliverables expected to be generated under the Action Plan. The notes would deal with three specific issues: (i) assessment of the overall evaluability of the deliverables; (ii) an analysis of whether the Action Plan deliverables adequately built on the key lessons learned and recommendations arising from previous OE evaluations; and (iii) the extent to which the deliverables were in line with international good practice.

17. The original proposal for the Action Plan evaluation discussed by the Board in April 2006 entailed the preparation of eleven evaluation notes. However, as OE was at that time not mandated by the Board to begin the evaluation, it had not yet produced evaluation notes on any of the deliverables being discussed by the eighty-eighth session of the Executive Board. As a result, the deliverables that OE would comment upon as part of the proposed evaluation of the Action Plan would include the following:

- (a) supervision policy, December 2006
- (b) revised Strategic Framework 2007-10, December 2006
- (c) knowledge management strategy, December 2006
- (d) innovation strategy, September 2007
- (e) development effectiveness report, December 2007

18. The Committee took note of the very tight time frames for preparation of the evaluation notes, which are the result of the limited time available between management's approval of the deliverables and their dispatch prior to the relevant Board session. Therefore, in order not to disrupt management's work on the deliverables and their subsequent dispatch to the Board, the Committee proposed that the evaluation notes be discussed along with the corresponding deliverable at the Evaluation Committee session, rather than submitting the notes directly to the Executive Board. This will involve the Committee members receiving the evaluation notes shortly ahead of the relevant Evaluation Committee session.

19. Finally, as is currently the practice, the Committee would include a summary of the key points discussed on each deliverable, together with its recommendations, in the report of the Chairperson, which is dispatched to Executive Board members prior to the Board session at which the deliverables are to be presented.

