

Document: EB 2007/92/R.2/Rev.1
Agenda: 3
Date: 13 December 2007
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

Programme of work, Programme Development Financing Facility and administrative and capital budgets of IFAD and of its Office of Evaluation for 2008

Executive Board — Ninety-second Session
Rome, 11-13 December 2007

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal points with any technical questions about this document before the session:

Gary Howe

Senior Director, Strategic Planning, Budget and Resource Management

telephone: +39 06 5459 2262

e-mail: g.howe@ifad.org

Luciano Lavizzari

Director, Office of Evaluation

telephone: +39 06 5459 2274

e-mail: l.lavizzari@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer

telephone: +39 06 5459 2374

e-mail: d.mcgrenra@ifad.org

Contents

Abbreviations and acronyms	iii
Recommendation for approval	iv
Executive Summary	v
Introduction	vi
Part One – 2008 Programme of work, Programme Development Financing Facility and administrative and capital budgets of IFAD	1
I. Overall resource framework	1
II. Delivering a programme of work and budget for IFAD that are results-based	1
III. 2008 Programme of work – Global/regional and country programmes and projects	2
IV. Administrative budget and Programme Development Financing Facility	4
A. Overview	4
B. Administrative budget	7
C. Consultation on the Eighth Replenishment of IFAD's Resources	9
D. Programme Development Financing Facility	9
E. Human resources	11
V. Capital budget	12
VI. Aligning IFAD's human and financial resources with results	14
A. Development of corporate management results and corporate key performance indicators for 2008	15
B. Details of corporate management results and corporate key performance indicators	16
Part Two – 2008 work programme and budget for IFAD's Office of Evaluation	22
I. Background	22
II. Summary of the 2008 work programme and budget	22
III. Achievements in 2007	22
IV. Taking stock of 2007	25
V. OE priorities for 2008	25
VI. Human and financial resource requirements	28
Part Three – Recommendation	30

Annexes

I.	Projected resources available for commitment (2006-2008)	31
II.	Relationship and alignment between the key instruments and processes that underpin IFAD's approach to results management	32
III.	Indicative lending programme	34
IV.	Average loan and grant size	35
V.	Overview of budget execution in 2006 and performance against corporate management results to date in 2007	36
VI.	Budget trends (2003-2008)	38
VII.	Overview of 2005-2007 actual expenditures	39
VIII.	Carry forward funds	40
IX.	Budget preparation parameters	41
X.	2008 Administrative budget by activity	43
XI.	2008 Administrative budget by expense	44
XII.	2008 Programme Development Financing Facility by activity	45
XIII.	2008 Programme Development Financing Facility by expense	46
XIV.	Staffing tables	47
XV.	2008 Proposed capital budget	50
XVI.	OE Achievements in relation to planned priorities and activities in 2007	52
XVII.	OE 2008 budget proposal	55
XVIII.	OE Work programme for 2008	57

List of Tables

Table 1	Summary of programme of work	3
Table 2	Overview of proposed budgets	5
Table 3	Trend in efficiency ratio	5
Table 4	Evolution of operational and other costs, 2006-2008	6
Table 5	Components of the proposed administrative budget	7
Table 6	2008 Staff costs composition	8
Table 7	Description of training programme	9
Table 8	Eighth Replenishment	9
Table 9	PDFF by category	10
Table 10	2008 Country presence costs	11
Table 11	Summary of human resources proposed for 2008 by source of funding	12
Table 12	Staff levels by department, under the administrative budget and the PDFF combined	12
Table 13	2008 Proposed capital budget for information technology	14
Table 14	Alignment of the proposed 2008 administrative budget and the PDFF with corporate	14

Abbreviations and acronyms

ACA	advance commitment authority
AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
CMR	corporate management result
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
CPPMS	Corporate Planning and Performance Management System
DAC	Development Assistance Committee
DMP	divisional management plan
DSF	debt sustainability framework
ECG	Evaluation Cooperation Group
ERM	enterprise risk management
FAO	Food and Agriculture Organization of the United Nations
FPPP	Field Presence Pilot Programme
FTE	full-time equivalent
ICSC	International Civil Service Commission
KPI	key performance indicator
OE	Office of Evaluation (IFAD)
OECD	Organisation for Economic Co-operation and Development
PDFF	Programme Development Financing Facility
SWAp	sector-wide approach
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
WFP	World Food Programme

Recommendation for approval

The Executive Board is invited to approve the recommendation on the programme of work, Programme Development Financing Facility and administrative and capital budgets of IFAD and of its Office of Evaluation for 2008, as contained in paragraph 118.

Executive Summary

1. The strategic direction of the 2008 programme of work, Programme Development Financing Facility (PDFF) and administrative and capital budgets reflects IFAD's continued commitment to increasing the level of its assistance for rural poverty reduction, while at the same time improving its development effectiveness. The programme of work and budgets contained in this document were formulated taking into account the Seventh Replenishment agreement, Action Plan deliverables, and the administrative costs benchmark adopted during the Executive Board's December 2005 session.
2. The presentation to the Executive Board of a results-based programme of work and budget for 2008 is an Action Plan deliverable and an integral element of IFAD's agenda for Managing for Development Results. The alignment of resources with results needs to take place at two different levels: at a programme level for development aid resources (to which IFAD's programme of work corresponds), and at an organizational level for human and financial resources (to which the administrative budget and PDFF correspond). The Results Measurement Framework and country strategic opportunities programmes (COSOPs) will be the main instruments for aligning of the programme of work with strategic objectives, while results at an organizational level will be monitored through IFAD's Corporate Planning and Performance Management System.
3. The programme of work for 2008 is proposed at SDR 417.0 million (US\$650 million), subject to resource availability, and represents an increase of 10 per cent over the programme of work proposed for 2007. The 2008 programme of work would be supported by total administrative costs of US\$112.9 million comprising an administrative budget of US\$74.1 million (2007¹ – US\$70.9 million), which includes US\$1.8 million for the expected costs of the Consultation on the Eighth Replenishment of IFAD's Resources and funding for the PDFF of US\$38.8 million (2007¹ – US\$34.0 million). The supporting budgets have been prepared with an aim of reducing the efficiency ratio (encompassing the combined administrative budget and the PDFF as a percentage of the programme of work, net of the transfer to the PDFF) from the agreed cap of 17.1 per cent to 16.3 per cent. A capital budget of US\$2.0 million is also being presented.
4. Furthermore, in accordance with the policy of devoting a greater portion of the Fund's costs to programme development and implementation, within an overall framework of increased efficiency, the proportion of costs attributable to operational expenditure would rise to 61 per cent (compared to 57 per cent in 2007). The increase in the PDFF (which represents 8.8 per cent in real terms) will be used not only to develop pipeline projects in 2008 but also to raise the quality of IFAD's country programmes and mainstream the country presence that was previously funded by the Field Presence Pilot Programme budget. A major increase in the staff training budget will address both efficiency and effectiveness needs, particularly at the pivotal middle management level.

¹ The figure for 2007 has been restated at the exchange rate of EUR/US\$ of 0.737.

Introduction

1. As in previous years, this document is divided into three parts, the first dealing with IFAD, the second with the Office of Evaluation and the third with the recommendations being made to the Executive Board.
2. Part I differs from prior years in two ways; first, the introduction of a results-based programme of work and budget and second, the presentation of a capital budget. The overall resources framework for formulating the 2008 programme of work and budget is described in section I. Section II explains, in essence, what makes this a results-based programme of work and budget and describes the relationship and alignment between key instruments and processes underpinning IFAD's overall approach to results management. Sections III and IV present the details of the proposed programme of work and administrative budget and the PDFF, respectively, while section V presents the capital budget proposal.
3. The final section of part I presents the details of IFAD's corporate management results, the expected outputs, the corresponding key performance indicators and the estimated resource allocation for each. This section links the traditional budget presentation with a results-based approach.

Part One – 2008 Programme of work, Programme Development Financing Facility and administrative and capital budgets of IFAD

I. Overall resource framework

1. The Consultation on the Seventh Replenishment of IFAD's Resources increased the resources available for rural poverty reduction. It was agreed that the Fund will commit about US\$2 billion for development projects and programmes over the replenishment period, within the framework of a programme of work that would be: (i) allocated according to the performance-based allocation system agreed under the Sixth Replenishment; (ii) increased by 10 per cent each year; and (iii) delivered with increased efficiency. Accordingly, it is proposed that the programme of work be increased by 10 per cent in 2008, and that the efficiency ratio be improved to 16.3 per cent (from 17.1 per cent in 2006 and 16.8 per cent in 2007).
2. The programme of work and budget is approved subject to availability of resources for commitment. As a result of the Seventh Replenishment agreement, IFAD may utilize its advance commitment authority (ACA) to a maximum of five years of future reflows. Annex I shows the projected resources for commitment from 2006 to 2008 and illustrates that with the proposed programme of work of US\$650 million and a total proposed budget envelope of US\$112.9 million (see table 2), the net use of ACA will remain within the authorized ceiling. Regular resources will also fund the proposed capital budget of US\$2.0 million which will be recovered over a period of approximately four years, through depreciation charges.

II. Delivering a programme of work and budget for IFAD that are results-based

3. In accordance with IFAD's Action Plan for Improving its Development Effectiveness agreed with the Executive Board, IFAD must submit to the Board in December 2007, and annually thereafter, a results-based programme of work and budget. This document embodies the fulfilment of that commitment.
4. The results-based programme of work and budget is an integral element of IFAD's agenda for managing for development results, and is a critical instrument to direct, monitor and manage IFAD's resources for maximum results both within its country programmes and the organization itself.
5. Various initiatives have been launched in the last year to strengthen capacity to manage for development results at IFAD.² Together they form a coherent and integrated system that links IFAD's highest-level development results with a cascade of underlying results that underpin the achievement of IFAD's strategic objectives (a schematic overview of the system is provided in annex II). The successful achievement of results within this system is highly dependent on the degree of focus and alignment of the Fund's financial and human resources. This is the purpose the results-based programme of work and budget is intended to serve.
6. This new kind of programme of work and administrative budget calls for an alignment of resources with results at two different levels. Progress on results-based budgeting with respect to development aid resources (to which IFAD's programme of work corresponds) is already evident in international financial institutions and United Nations organizations, particularly where a performance-based system for allocating programmatic resources has been adopted (equivalent to the performance-based allocation system [PBAS] implemented by IFAD).
7. At IFAD, the results orientation of the programme of work will be further strengthened by tightening alignment with the strategic objectives defined in the

² The main ones introduced thus far include: the IFAD Strategic Framework 2007-2010, results-based COSOPs, the Results Measurement Framework, and the Corporate Planning and Performance Management System (CPPMS).

IFAD Strategic Framework 2007-2010. The Results Measurement Framework and country strategic opportunities programmes (COSOPs) (taking into account the annual reviews foreseen under the new results-based COSOP format) will be the main instruments for both ex-ante alignment of the programme of work with strategic objectives and real-time monitoring, management and reporting of performance in achieving them.

8. The results focus of human and financial resources financed through the administrative budget and the PDFF will be delivered through the organizational dimension of IFAD's Corporate Planning and Performance Management System (CPPMS). Administrative resources will be aligned with corporate management results (CMRs), which reflect areas where IFAD intends to make improvements in the medium term in support of its longer-term objectives set out in the Strategic Framework. The CMRs thus serve to focus the human and financial resources directly controlled by IFAD towards increased programme quality and enhanced development impact. Overall performance against the CMRs will be directed and systematically monitored, managed and reported via key performance indicators (KPIs) for which projected performance levels will be assigned annually. The relationship and alignment between the key instruments and processes that underpin IFAD's overall approach to results management are presented in annex II. A full description of the CMRs is provided in section VI, with related outputs and KPIs.
9. A key element of managing for development results is the establishment of a systematic and effective approach to managing risks and opportunities. IFAD is committed to enterprise risk management (ERM), and one of the eight corporate management results is "improved risk management" (CMR 6). The two expected outputs of CMR 6 for 2008 are the development of an ERM policy/framework and the completion of a corporate training programme on risk management by all managers. Furthermore, the emphasis on oversight in the organization is demonstrated by the establishment of the Office of Audit and Oversight (formerly the Office of Internal Audit) to handle all matters relating to investigations or possible irregular practices in IFAD activities and operations.
10. The results-based programme of work and budget differs from prior programme of work and budget documents in a number of ways. With regard to the programme of work, the planned and actual gross allocations by strategic objective will be presented each year. Performance against the Results Measurement Framework indicators, however, will be reported to the Executive Board through the report on IFAD's development effectiveness. This document includes expected outputs, KPIs and projected levels of performance, and estimated resource allocations for each CMR.
11. Notwithstanding the fact that 2008 will be the first year of full operation of IFAD's CPPMS, a synoptic assessment of progress by CMR for the first three quarters of 2007 is provided in annex V, noting that 2007 was a trial year for the CPPMS. The retrospective assessment for 2008 to be provided in the context of the 2009 results-based programme of work and budget will be more exhaustive and analytical.

III. 2008 Programme of work – Global/regional and country programmes and projects

12. The proposed overall 2008 programme of work amounts to (US\$650 million), representing an increase of 10 per cent over the 2007 United States dollar level (net of the 2007 transfer from the programme of work to the PDFF) (see table 1).
13. Based on the indicative lending programme, up to 34 projects would be submitted for approval in 2008 (maintaining a target number of planned projects similar to that established for 2007, but consistent with PBAS requirements), for a total SDR 389.88 million (US\$607.75 million), including resources provided under debt sustainability framework (DSF) terms. This is the same number of projects as proposed for 2007, and is consistent with the objective of increasing average loan

size to establish a better balance between the loan value and preparation and implementation support costs. See annex IV for trends in average loan and grant size.

14. As a result of the adoption of the DSF³ and the associated modifications to the IFAD Policy for Grant Financing⁴ by the Executive Board in April 2007, as well as the proposal discussed with the Executive Board in September 2007 to eliminate the transfer of 2.5 per cent of programme of work to the PDFF, the internal composition of the programme of work in 2008 has changed. The transfer of part of the programme of work under the grant heading to the PDFF has been duly eliminated.⁵ The percentage of the programme of work reserved for country-specific grants has also been reduced from 2.5 per cent to 1.5 per cent, reflecting the fact that DSF-eligible countries will henceforth receive all or half of their assistance as grants under the agreed DSF procedures and criteria, and will no longer access the country-specific grants envelope. The percentage of the programme of work and budget dedicated to global/regional grants (5 per cent) remains unchanged. Accordingly, the proposed level of grants is US\$42.2 million.

Table 1
Summary of programme of work

	Millions of United States dollars				Millions of SDR			
	2007	2008			2007	2008		
	Approved at SDR/US\$ exchange rate of 1.4799	Proposed at SDR/US\$ exchange rate of 1.5588	% of Total	% Increase	Approved	Proposed	% of Total	% Increase
Loans including DSF grants^a	544.5	607.8	93.5	12.0	367.9	389.9	93.5	6.0
Number of loans	34	34			34	34		
Country grants	15.1	9.8	1.5	(35)	10.2	6.3	1.5	(38)
Transfer to PDFF	15.1	-	-	(100)	10.2	-	-	(100)
Sub-total	30.2	9.8	1.5	(68)	20.4	6.3	1.5	(69)
Global/regional window	30.3	32.4	5.0	7.0	20.4	20.8	5.0	2.0
Total grants	60.5	42.2	6.5	(30)	40.8	27.1	6.5	(34)
Sub-total	605.0	650.0	100.0	-	408.8	417.0	100.0	-
Deduct: transfer to PDFF	15.1	-	-	-	10.2	-	-	-
Total loans and grants	589.9	650.0	-	10	398.6	417.0	-	5.0

^a Since the DSF was approved by the Executive Board in April 2007; the 2007 approved budget does not include DSF grants.

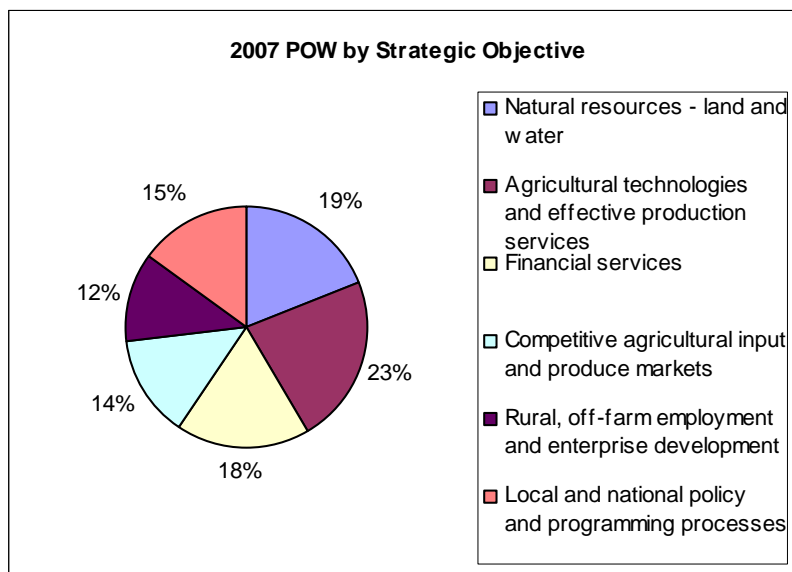
15. Figure 1 below shows the expected 2007 programme of work (POW) by strategic objective, with the major emphasis being on agricultural technologies and effective production services (23 per cent). A relatively large percentage of the programme of work in 2007 is focused on projects providing financial services to the rural poor and access to natural resources.

³ Proposed arrangements for implementation of a debt sustainability framework at IFAD (document EB 2007/90/R.2).

⁴ Policy for Grant Financing in relation to the debt sustainability framework (document EB 2007/90/R.3).

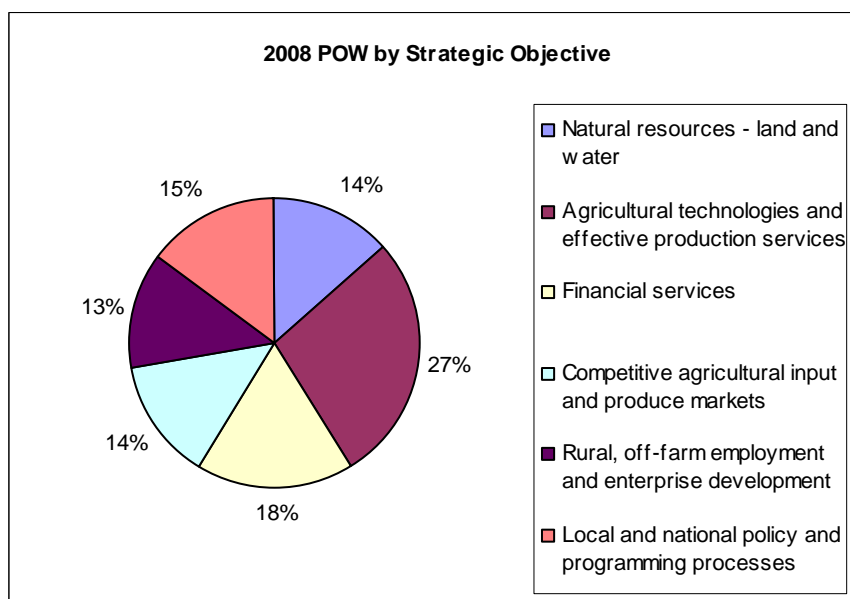
⁵ Refer to the strategic priorities for a results-based programme of work, Programme Development Financing Facility and administrative budget of IFAD and its Office of Evaluation for 2008 (document EB 2007/91/R.4).

Figure 1



16. In 2008, the projects to be brought to the Board for approval are expected to focus even more on improved agricultural technologies and effective production services (the indicative lending programme is presented in annex III).

Figure 2



IV. Administrative budget and Programme Development Financing Facility

A. Overview

17. Table 2 below summarizes the budgets presented in this document. Within the total cost envelope of US\$112.9 million, the regular administrative budget has been increased by 2.0 per cent in nominal terms to US\$72.3 million, equivalent to projected euro zone inflation in the Consumer Price Index (CPI), a 4.5 per cent reduction in real terms (reflecting the difference between the composition of the CPI and IFAD expenditure "baskets"). A line representing the Consultation on the Eighth Replenishment of IFAD's Resources has been introduced and shows a total cost of US\$1.8 million and the PDFF has been increased by a nominal 13.9 per cent (8.8 per cent in real terms) to US\$38.8 million in order to support the proposed increase

of 10 per cent in the programme of work and the mainstreaming of the country presence initiatives previously funded by the Field Presence Pilot Programme (FPPP) budget. The net effect is to show a total increase of 7.6 per cent in nominal terms and 1.6 per cent in real terms with regard to the total of these budgets (regular administrative budget, Eighth Replenishment budget and the PDFF combined). In addition, the Fund is proposing a capital budget, which is presented in section V.

Table 2

Overview of proposed budgets

(Thousands of United States dollars)

	<i>2007 Approved budget restated @ 0.737</i>	<i>2008 Proposed budget @ 0.737</i>	<i>Nominal increase</i>		<i>Price increase</i>		<i>Real increase/(decrease)</i>	
				<i>%</i>		<i>%</i>		<i>%</i>
Administrative budget	70 856	72 306	1 450	2.0	4 616	6.5	(3166)	(4.5)
Eighth Replenishment	-	1 800	1 800	-	-	-	1800	-
PDFF	34 036	38 781	4 745	13.9	1 741	5.1	3004	8.8
Total	104 892	112 887	7 995	7.6	6 357	6.1	1 638	1.6
Capital budget	-	2 000	-	-	-	-	-	-

18. An overarching driver of the proposed 2008 administrative budget and the PDFF is increased efficiency. The combined administrative budget (including the Eighth Replenishment budget) and the PDFF represent an improved efficiency ratio of 16.3 per cent, compared to 16.8 per cent in 2007 and 17.1 per cent in 2006 (see table and figure 3).

Table 3

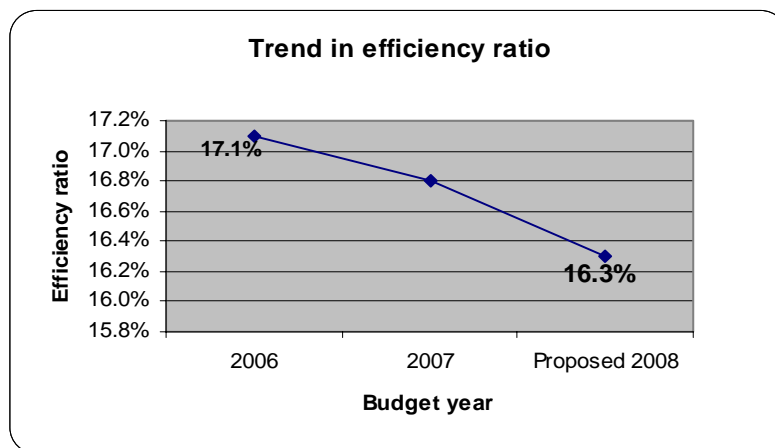
Trend in efficiency ratio

(Thousands of United States dollars)

	<i>2006 Approved</i>	<i>2007 Approved</i>	<i>2008 Proposed</i>
A – Programme of work, net of transfers	536.25	589.88	650.00
B – Approved administrative budget and the PDFF restated at 0.819 EUR/US\$ ^a	91.58	99.31	105.95
Cost benchmark or efficiency ratio (B/A)	17.1%	16.8%	16.3%

^a The baseline ratio of 17.1 per cent was created at the exchange rate of 0.819 EUR/US\$, therefore the budgets of each following year are restated at the same rate in order to maintain a stable benchmark.

Figure 3



19. Within the overall increase in efficiency, the objective has been to raise the proportion of expenditures on operational costs. A new method of classifying costs was presented to the June 2007 Audit Committee meeting. The Committee generally agreed to the proposed categories,⁶ recognizing that the exact category definition is less important than establishing a benchmark to monitor cost movements over time.
20. Table 4 breaks down the administrative budget and the PDFF in terms of the new method of cost classification, demonstrating that the proportion of the combined administrative budget and the PDFF allocated to direct and indirect operational costs has risen from 57 per cent in 2007 to a proposed 61 per cent in 2008 (see also figure 4), with direct operational expenditures rising by 6 per cent.

Table 4

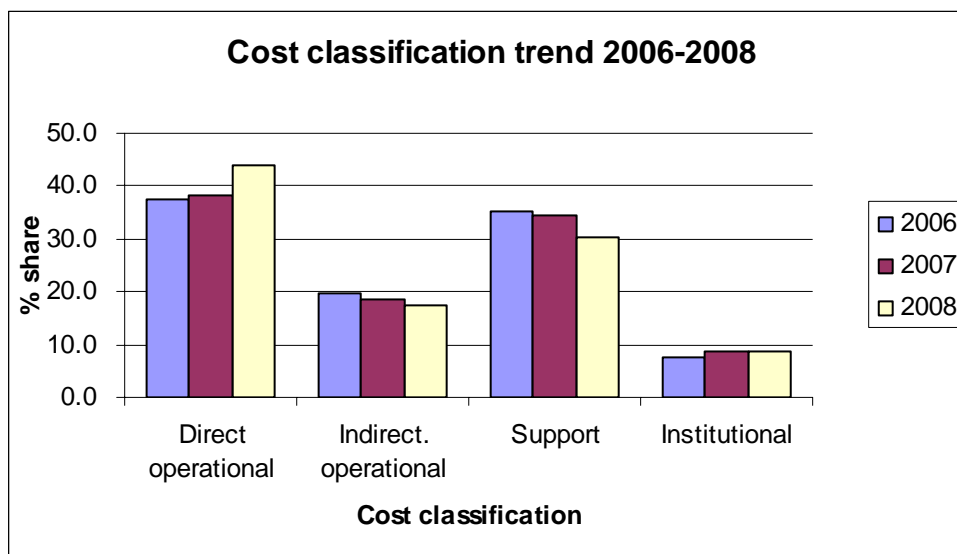
Evolution of operational and other costs, 2006-2008

(Millions of United States dollars)

Cost classification	Administrative budget + PDFF					
	2006		2007		2008	
	Approved @ EUR/US\$ 0.819	Percentage	Approved @ EUR/US\$ 0.786	Percentage	Proposed @ EUR/US\$ 0.737	Percentage
Direct operational	34	37	39	38	49	44
Indirect operational	18	20	19	19	19	17
Direct+indirect operational costs	52	57	58	57	68	61
Support	32	35	35	34	34	30
Institutional	7	8	9	9	10	9
Total	91	100	102	100	111	100

⁶ Direct operational (other naming conventions include direct costs or direct project costs); indirect operational (other naming conventions include indirect operational support, operational assistance costs or project-related costs); supporting costs (other naming conventions include overhead, administrative costs, other support services, corporate support, sustaining costs or non-operational costs); and institutional costs or governance.

Figure 4



B. Administrative budget

21. As demonstrated in table 2 above, the administrative budget proposal calls for an increase of 2.0 per cent in nominal terms and a decrease of by 4.5 per cent in real terms. The four main components of the 2008 administrative budget are presented in table 5, which shows the applicable price increases and real increases or decreases for each component.

Table 5

Components of the proposed administrative budget

(Thousands of United States dollars)

	2007 Approved budget restated @ 0.737	2008 Proposed budget @ 0.737	Nominal increase		Price increase		Real increase/(decrease)	
				%		%		%
Staff costs	55 815	58 464	2 649	4.7	4 325	7.7	(1 676)	(3.0)
Non-staff costs	14 541	12 642	(1 899)	(13.1)	291	2.0	(2 190)	(15.1)
Training	400	1 100	700	175.0	-	-	700	175.0
Contingency	100	100	-	-	-	-	-	-
Total	70 856	72 306	1 450	2.0	4 616	6.5	(3 166)	(4.5)

Staff costs

22. Staff costs have been estimated by applying standard unit costs adjusted to reflect projected price increases in 2008 (see annex IX – Budget preparation parameters for details). The overall nominal increase of 4.7 per cent in staff costs in the context of an increase in projected staff unit costs increase of 7.7 per cent reflects a reduction of staff numbers under the administrative budget while staff under the PDFF shows an increase (see table 11).
23. The composition of staff costs is presented in table 6. Short-term staff costs relate to contracts of less than one year, while fixed-term staff costs relate to contracts of one year or more.

Table 6

2008 Staff costs composition

(Thousands of United States dollars)

<i>Staff costs</i>	<i>Administrative budget</i>
Fixed-term staff costs – salaries and benefits	55 561
Short-term staff costs – salaries and benefits	727
Overtime	354
After-Service Medical Coverage Scheme	667
FAO medical charges	95
Maternity leave	110
Recruitment and relocation	650
Separation packages	300
Total	58 464

FAO = Food and Agriculture Organization of the United Nations

Non-staff costs

24. A price increase of 2.0 per cent equivalent to estimated inflation in the euro zone, has been applied to non-staff costs, the area of the administrative budget most susceptible to short-term cost cutting. The non-staff costs budget has been reduced by 13.1 per cent in nominal terms, 15.1 per cent in real terms (see annex IX – Budget preparation parameters for details). Facility management costs will decrease (by approximately 10 per cent) as a result of moving from three separate buildings into the new single headquarters building. The cost of interpreters and translators will decrease by some 17 per cent as a result of the shift to staff rather than consultants.

Training

25. A major element of the human resource reform process is staff development. It is proposed that the training budget nearly triple to US\$1.1 million within the overall 2.0 per cent nominal increase of the regular administrative budget (rising from 0.7 per cent of the staff budget in 2007 to 1.9 per cent in 2008). In a changing working environment, skill gaps can be closed through staff rotation; however, training remains the key to capacity building.
26. As indicated in table 7, priority will be to continue and upscale the middle management training programme which began in 2005 with the joint World Food Programme/FAO/IFAD) management development centre. The training budget will serve to strengthen IFAD's strategic capacity with regard to management capacity and succession, development effectiveness (e.g. through training in supervision skills) and IFAD's core values. Specific skills development requirements unique to particular functions will be catered for by earmarking a part of the budget for each department for specific needs in managing the delivery of CMRs. More generic training is planned for staff throughout the organization to build competency levels in areas such as language, communication and negotiation.

Table 7

Description of training programme

(Thousands of United States dollars)

<i>Description of training</i>	<i>Amount</i>
Middle management training:	300
Management development centre	
Middle Management Development Programme	
Supervisory/Introductory to Management	
Capacity building:	800
Human resources management capacity-building (with a focus on FH)	200
Task specific training (e.g. project supervision)	400
In-house/cross-cutting training (generic language training, communication training)	200
Grand total	1 100

FH = Office of Human Resources (IFAD)

C. Consultation on the Eighth Replenishment of IFAD's Resources

27. The Consultation on the Eighth Replenishment of IFAD's Resources (IFAD VIII) will take place in 2008 and management estimates it will cost up to US\$1.8 million. Management is budgeting on the assumption that there will be five consultations.

Table 8

Eighth Replenishment

(Thousands of United States dollars)

	<i>IFAD VII</i>		<i>IFAD VIII</i>
	<i>Approved budget @ 0.819</i>	<i>Approved budget restated @ 0.737^a</i>	<i>Proposed budget</i>
Language related services	540	600	600
Staff costs	431	493	450
Administration, hospitality, etc	501	670	550
Contingency	204	227	200
Total	1 676	1 990	1 800
Percentage increase	-	19.0%	7.4%

^a The Replenishment budget is primarily expended in euros. After restatement of the Seventh Replenishment (IFADVII) approved budget at the exchange rate of EUR/US\$0.737, the restated amount would be equal to US\$1.99 million. The proposed budget for IFADVIII of US\$1.8 million therefore represents a real reduction in cost.

D. Programme Development Financing Facility

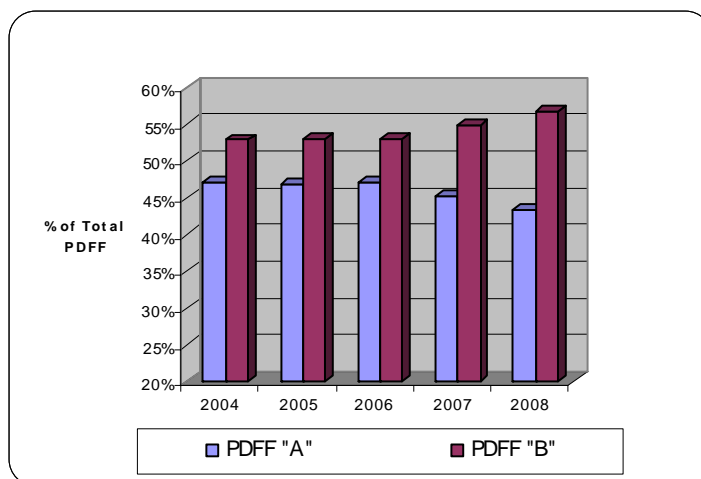
28. It is proposed that the PDFF grow within the proposed overall envelope of the 16.3 per cent efficiency ratio and the effort to contain administrative costs to shift resources to operations. The proposed increase is 8.8 per cent in real terms (13.9 per cent in nominal terms) to sustain the drive to improve the quality of country programmes, project design and project supervision, as well as integrating country presence into the total cost envelope in the context of a 10 per cent increase in the programme of work.
29. The increasing emphasis on raising development effectiveness through greater support to project and programme implementation is reflected in the greater growth of PDFF "B" (ongoing project portfolio) relative to PDFF "A" (new project/programme development), as indicated in table 9 below and figure 5.

Table 9

PDFF by category

(Thousands of United States dollars)

<i>PDFF categories</i>	<i>2007 Restated</i>	<i>2008 Proposed</i>	<i>Amount increased</i>	<i>Percentage Increase</i>
PDFF "A" – New project/programme development	15 421	16 804	1 383	9.0
PDFF "B" – Ongoing project portfolio	18 615	21 977	3 362	18.1
Total	34 036	38 781	4 745	13.9

Figure 5 – PDFF by category

30. Details of the proposed expenditures under the PDFF are presented in annexes XII and XIII. The most significant change in the composition of the 2008 PDFF is the shift from supervision by cooperating institutions to direct supervision by IFAD. This is reflected in a decrease in cooperating institution costs from US\$13.2 million in 2007 to US\$6.7 million in 2008, and a corresponding increase in staff and consultancy services.
31. The focus on improving the quality of country programmes is evidenced by a 94 per cent increase in country programme activities as shown in annex XII.⁷ This activity also contains country presence costs which were previously funded through the FPPP budget. Table 10 below presents details on the country presence costs contained in the 2008 budget. The costs of three of the four country programme managers (CPMs) are funded through the administrative budget, with the balance contained within the PDFF. Table 10 also shows the incremental cost of IFAD's country presence, estimated at US\$1.5 million. The cost of CPMs would be incurred whether or not they are out-posted, and their travel costs when out-posted will be reduced by their location in the country. In addition, there are two existing out-posted CPMs whose salaries and related costs are already incorporated in the administrative budget and do not represent an incremental cost. A separate paper is being presented to the Executive Board in relation to country presence activities in 2008.⁸

⁷ The allocation to the country programmes activity within the administrative budget has decreased by 35 per cent, however with the 94 per cent increase within the PDFF there is still an increase of 12 per cent in this activity.

⁸ Document EB 2007/92/R.47 Activity plan for IFAD's country presence.

Table 10
2008 Country presence costs
 (Thousands of United States dollars)

<i>Country</i>	<i>2008 Costs</i>	<i>CPM salaries in Rome</i>	<i>Savings on travel</i>	<i>Incremental cost</i>
Bolivia	98	-	-	-
China/Mongolia	129	-	-	-
Democratic Republic of the Congo	110	-	-	-
Egypt	102	-	-	-
Ethiopia	100	-	-	-
Haiti	98	-	-	-
India	165	-	-	-
Kenya	100	-	-	-
Nicaragua	91	-	-	-
Nigeria	145	-	-	-
Senegal	120	-	-	-
Sudan	111	-	-	-
United Republic of Tanzania ^a	326	226	50	-
Viet Nam/Lao People's Democratic Republic ^a	275	160	53	-
Yemen	81	-	-	-
Total	2 051	386	103	1 562

^a Includes out-posted CPMs.

E. Human resources

32. IFAD's ability to attract, retain and focus high-quality staff will be critical for its development effectiveness. In the context of the Action Plan, the centrality of human resource management (staff development, staff management and staff alignment with priority results) has been reflected in management changes including the establishment of a senior management Human Resources Strategic Management Committee and the adoption of a guiding framework for long-term staff and staff development planning.
33. As table 5 demonstrates, the proposed administrative budget contains a 3.0 per cent real decrease in staff costs (when adjusted for the projected staff unit cost increase). Table 11 below presents the number of full-time equivalents (FTEs) being proposed in 2008 and the breakdown by source of funding. FTEs proposed under the administrative budget are 389.9 (down from 402.9 in 2007). FTEs proposed under the PDFF for 2008 are 60.2 (up from 43.3 in 2007), reflecting the strategic focus on development effectiveness, expanded programme of work and shift from cooperating institution supervision of projects and programmes to direct supervision by IFAD, as well as the mainstreaming of country presence.

Table 11
Summary of human resources proposed for 2008 by source of funding
 (Expressed in full-time equivalents)^a

Source of funding	Total 2007	Fixed term			Short-term staff	Total 2008	Change in FTEs
		Professional and higher	General service	Total fixed term			
Administrative budget (annex XIV)	402.9	181.3	195.4	376.7	13.2	389.9	(13.0)
PDFF (annex XIV)	43.3	36.6	20.2	56.8	3.4	60.2	17.0
Total	446.2	217.9	215.6	433.5	16.6	450.2	4.0

^a FTE = 12 months. The President and Vice-President are not included.

34. The same number of FTEs are presented by department in table 12 below and details of staff levels are contained in annex XIV.

Table 12
Staff levels by department, under the administrative budget and the PDFF combined
 (Expressed in full-time equivalents)^a

Department	2007	2008	Increase/ (decrease)	Percentage increase/ (decrease)
External Affairs Department	111.9	107.8	(4.1)	(3.6)
Finance and Administration Department	146.3	142.1	(4.2)	(2.9)
Office of the President and Vice-President (OPV Group)	31.3	31.9	0.6	1.9
Programme Management Department	156.7	168.4	11.7	7.5
Total	446.2	450.2	4.0	0.9

^a Includes regular posts, fixed-term staff and temporary staff in the administrative budget and the PDFF.

V. Capital budget

35. The capital budgeting framework endorsed by the Audit Committee in June 2007 stipulated how capital expenditures spanning more than one year were to be implemented and managed within IFAD. The major steps involved in implementing such a framework are to:
- Define the outlays that constitute capital budget;
 - Agree on depreciation policy and charges;
 - Develop criteria;
 - Set capital budget development and approval parameters; and
 - Develop accounting, monitoring and reporting.
36. The advantage of a capital budget is the ability to spread expenditures on capital assets over a number of years (useful life of the asset) rather than recording them as one-time expenditures. More specifically, IFAD departments that put forward a business case for capital expenditure would have to consider that their budgets would be charged with asset depreciation after project completion over the useful economic life of the asset, so that capital expenditures should generate efficiencies and reductions in other costs. Assets that provide a corporate benefit would be charged to a central cost centre.

37. The proposed criteria for inclusion of an expenditure within a capital budget are that the asset:
- (a) must provide a measurable benefit;
 - (b) must have an estimated useful life of at least three years;
 - (c) must have a minimum value of US\$200,000.
38. The capital budget approval process and parameters are as follows:
- (a) A business case identifying the specific project would be submitted to the relevant assistant president for review and submission to a capital budgeting technical group.⁹ In the case of information technology (IT) projects, the business case would be presented to the IT governance committee, and only projects accepted by this committee would be submitted to the technical group;
 - (b) Each project must be financially viable;
 - (c) Each project may include a contingency factor of 10 per cent;
 - (d) The capital budget would be presented to the Executive Board annually for approval as part of the programme of work and budget document;
 - (e) Annual depreciation charges will be accounted for separately and reflected in the financial statements.
39. The following minimum reporting was suggested for capital budgeting was presented in the capital budgeting framework:
- (a) Semi-annual and annual reviews by management of active capital projects;
 - (b) Reviews by management of changes in scope, timing and completion costs, including explanation of deviations, with proposals for corrective action;
 - (c) Information from (a) and (b) included in the quarterly report to Senior Management in the second and fourth quarters;
 - (d) Post-completion review of outcomes and final costs presented to the Board within the budget document.
40. Increasing staff efficiency and effectiveness will require significant improvements in the material infrastructure of administrative and operational processes, particularly in the IT area. To address these requirements, IFAD proposes the establishment and funding of a capital budget to be amortized in charges against future budgets.
41. IFAD is in the process of finalizing its IT medium-term strategy, including validation with process-owners, implementation of robust governance arrangements, and rigorous assignment of amortization charges against estimated future benefits and savings. While this is consolidated, it is proposed that capital expenditures would be contained to the bare minimum required to manage identified risks and streamline some priority work processes. Correspondingly a capital budget of US\$2.0 million is proposed for 2008, of which US\$1.1 million for loan and grant systems integration (responding to an observation of the external auditor), US\$0.3 million for streamlining institutional processes (principally HR related), and US\$0.5 million for desktop/laptop computers renewal (see table 13 below and annex XV).

⁹ The capital budgeting technical group would be headed by the Assistant President, Finance and Administration Department, and would consist of representatives of the Office of the Controller, the Strategic Planning and Budget Division and the Office of the Treasurer.

Table 13

2008 Proposed capital budget for information technology

(Thousands of United States dollars)

<i>Information technology strategic directions</i>	<i>Proposed 2008</i>
Loan and grant management integration	1 100
Streamlining of institutional processes	300
Infrastructure renovation	600
Total	2 000

VI. Aligning IFAD's human and financial resources with results

42. IFAD's approach to aligning its human and financial resources with results is firmly rooted in its overall results management system, as presented in annex II, and is directly linked to the CPPMS, which regulates the organizational dimension of IFAD's approach to Managing for Development Results (depicted in the bottom half of the figure shown in annex II). Within the CPPMS, the CMRs represent the organizational level results (including outputs) that serve to focus the human and financial resources directly controlled by IFAD towards increased programme quality, and ultimately enhanced development impact. The alignment of the administrative budget and the PDFF with CMRs is demonstrated below in table 14 and figure 6.

Table 14

Alignment of the proposed 2008 administrative budget and the PDFF with corporate management results^a

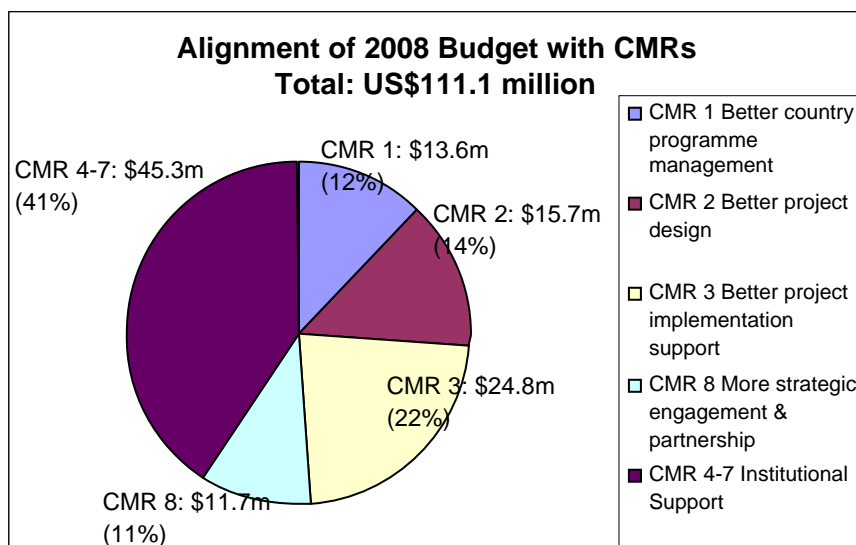
(Millions of United States dollars)

<i>Description</i>	<i>Amount</i>	<i>Percentage of total</i>		
Operational CMRs				
CMR 1	Better country programme management	13.6	12	
CMR 2	Better project design (loans and grants)	15.7	14	
CMR 3	Better project implementation support	24.8	22	
CMR 8	More strategic international engagement and partnership	11.7	11	
Sub-total		65.8	59	
Institutional support CMRs				
CMR 4	Improved resource mobilization and management	45.3	41	
CMR 5	Improved human resource management			
CMR 6	Improved risk management			
CMR 7	Improved administrative efficiency			
Total		111.1	100	
Administrative budget			72.3	-
PDFF			38.8	-
Total		111.1		-

^a This table indicates the distribution of resources against the activities involved in each of the CMRs.

Note that the resources contributing to CMRs 1, 2 and 3 (US\$54.1 million) correspond to the portion of the administrative budget and PDFF allocated to the programme management activity (see annex X - US\$17.1 million and annex XII - US\$37 million).

Figure 6



43. Overall performance against CMRs is directed, and systematically monitored, managed and reported (including to the Executive Board through the report on IFAD's development effectiveness) via key KPIs for which projected levels of performance are to be assigned annually. Performance for the CPPMS pilot year of 2007 is presented to the Executive Board in the 2007 Report on Development Effectiveness.
44. The remainder of this section explains the process whereby the CMRs and corporate KPIs presented below were arrived at, followed by descriptions of each CMR, related outputs, KPIs and projected levels of performance by end of 2008, and estimated resource allocations.

A. Development of corporate management results and corporate key performance indicators for 2008

45. Corporate management results, corporate KPIs and main outputs presented in the following section have benefited from learning and insights gained from the first year of implementation of CPPMS in 2007, including through consultations with members of the divisional management plan network, senior and middle management, the draft strategic departmental plans for 2008-2009, two assessments of the system, and exchanges with similar organizations (for an overview of achievements relative to CMRs in the roll-out year of 2007 to date, see annex V). The process of fine-tuning CMRs and corporate-level KPIs for 2008 was carried out with the aim of:
- improving them in light of experience to make them more relevant and useful in strengthening performance in the key areas that contribute most to raising development effectiveness; and
 - tightening integration with initiatives that have recently come onstream such as the Results Measurement Framework, by embedding indicators into regular performance management processes.
46. Two significant outcomes of the review have been the addition of a new CMR to strengthen the strategic focus of IFAD's regional and international policy dialogue and partnership engagements and the introduction of a department-level planning instrument, the strategic departmental plan. Introduced as of May 2007, these plans have played a key role in identifying and articulating strategic priorities for 2008 and establishing high-level resource allocations across CMRs.
47. There is a strong degree of interrelation and mutual reinforcement among CMRs, as some sustain achievement of others. This poses a challenge in the task of defining

boundaries between them. Nevertheless, each has its own distinct core thrust and corporate-level KPIs.

48. The CMR descriptions provided below have been kept as brief as possible to minimize repetition. It is important to note that some elements transcend CMRs. The operationalization of Action Plan initiatives feature prominently within most of them and some initiatives, such as knowledge management and innovation, cut across multiple CMRs.

B. Details of corporate management results and corporate key performance indicators

CMR 1: Better country programme management

49. In line with the Paris Declaration on Aid Effectiveness, country programmes are to be designed and managed in support of national development strategies and in coordination with governments and other partners (ownership, alignment and harmonization). The emphasis is on mobilizing partnerships, resources and knowledge, ultimately to promote pro-poor policies that contribute to sustainable poverty reduction.
50. IFAD's country programmes are encapsulated in the country strategic opportunities programmes (COSOPs), which serve as a high-level tool to guide and manage loan and grant-funded projects and programmes and other related tools and processes. Performance against this CMR depends directly on success in operationalizing results-based COSOPs. Therefore, this CMR hinges on the development of high-quality results-based COSOPs in as many countries as possible, and their use as a tool to manage country programmes for results.
51. In order to improve country programme effectiveness, another priority under this CMR is the strengthening of IFAD's country-level interface, not least through the country presence initiative and the One United Nations pilot. IFAD will mainstream FPPP and engage actively in the One United Nations pilot initiative in all eight countries.

Main outputs	
<ul style="list-style-type: none"> • Results-based COSOPs • Annual results-based COSOP reviews • Operational/thematic policies developed/reviewed • Mainstreaming the country presence initiative (this is a critical output that has also been included under CMRs 5 and 7) 	
Key performance indicators	Projection for 2008
Number of new results-based COSOPs designed	15
Percentage of COSOPs rated satisfactory or better at entry	70%
Percentage of results-based COSOPs reviewed annually in-country	60%
Percentage of countries where IFAD country presence operates within a institutional hosting arrangement (either with the host country or an international financial institution/United Nations organization)	100%
Percentage of cofinancing mobilized for IFAD projects and programmes	1.1 : 1
Estimated resource allocation	
US\$13.6 million (see table 14)	

CMR 2 – Better project design (loans and grants)

52. Projects and programmes constitute the principal means for realizing the development results set out in country programmes. They are a key mechanism through which IFAD supplies finance, shares knowledge and innovations, and engages in policy dialogue with government and other partners. The priority for IFAD is to ensure that its projects are designed to the highest quality, are based on

best practices and promote innovative approaches. Performance against this CMR will in turn depend on success in operationalizing elements of the ongoing organizational change agenda: (i) the knowledge management strategy, in terms of how learning, knowledge and innovation are fed into the programme management process; (ii) innovation strategy; and (iii) the quality-at-entry enhancement and assurance process.

Main outputs	
<ul style="list-style-type: none"> • New projects developed • New country and global/regional grants developed 	
Key performance indicators	Projection for 2008
Pipeline ratio	1.8
Percentage of projects rated satisfactory or better at entry	70%
Estimated resource allocation	
US\$15.7 million (see table 14)	

CMR 3 – Better project implementation support

53. Whereas CMR 2 focuses on ensuring high quality design of projects and programmes, CMR 3 is concerned with the support IFAD provides during implementation. It is during the project implementation phase that the processes for achieving objectives articulated at design stage are managed, making increased quantity and strengthened quality of support to project implementation paramount to enhancing IFAD's development effectiveness. The core of this CMR is the operationalization of the recently approved supervision policy and guidelines, whereby IFAD is formally moving from commissioning supervision to managing it itself.
54. The emphasis under this CMR is on effective project supervision and implementation support to provide proactive assistance to entities responsible for project implementation. Increased involvement in project supervision and implementation support also represent a critical opportunity for IFAD to deepen its knowledge about policies for rural poverty reduction, which may in turn be fed into new project designs, transferred across to other ongoing projects, or employed for purposes of policy dialogue at national or international level. Operationalization of the knowledge management strategy is integral to this CMR.

Main outputs	
<ul style="list-style-type: none"> • Supervision missions • Full implementation of corporate training programme on direct supervision in 2008 • Full establishment of quality assurance process of supervision in 2008 	
Key performance indicators	Projection for 2008
Percentage projects at risk	18%
Pro-activity index	70%
Average time from project approval to effectiveness	14.5 months
Percentage of projects with overall supervision rating of satisfactory or better	80%
Estimated resource allocation	
US\$24.8 million (see table 14)	

CMR 4 – Improved resource mobilization and management

55. The thrust of CMR 4 is two-fold: (i) to increase the size and security of IFAD's financial resource base; and (ii) to improve the way in which IFAD's main resource envelopes are managed and accounted for: contributions, the investment portfolio, loan and grant resources, and administrative resources. This CMR does not comprise cofinancing attracted for IFAD's projects and programmes, which is tracked under CMR 1.

56. With respect to (i) above, the main focus is on resource mobilization in the context of the Replenishment exercise and additional resource requirements (e.g. supplementary funds).
57. With respect to (ii) above, and for each of the resource envelopes, the thrust of this CMR is summarized as follows:
- Contributions management: develop/review and implement policies/procedures that improve the management of contributions received;
 - Investment portfolio: develop/review and implement policies/procedures that optimize returns on investment;
 - Loan and grant resources: develop/review and implement policies/procedures that optimize the allocation of resources to support poverty alleviation in recipient countries based either on performance or debt distress, and to support capacity-building for pro-poor research by global and regional institutions; and
 - Administrative resources: develop/review and implement policies/procedures to improve financial management, and to strengthen management for results by increasing alignment between IFAD's budgets and CMRs.

Main outputs	
<ul style="list-style-type: none"> • Eighth replenishment process • Establishment/operationalization of the capital budget framework • Departmental and divisional management plans for all departments and divisions • Quarterly divisional and department level performance reporting and reviews • Quarterly corporate-level performance and budget execution reporting and reviews 	
Key performance indicators	Projection for 2008
Instruments of contribution deposited as % of IFAD VII pledges	90%
Supplementary resources mobilized (millions of United States dollars)	10
Percentage variance from the target rate of return on investment	0%
Percentage of budget carry-over (administration + PDFF)	<5%
Estimated resource allocation	
CMRs 4-7 US\$45.3 million (see table 14)	

CMR 5 – Improved human resource management

58. The focus of CMR 5 is to improve the quality of human resource management within IFAD; a motivated, well qualified and well managed staff is essential for improved development action. Key priorities include the strengthening of managerial capabilities, development of technical and functional capacity of staff in line with evolving functions especially in the operational area, improving the staff performance evaluation system, and improving the quality and efficiency of human resource services, particularly for recruitment. In support of this, under the Action Plan a medium-term human resources management reform process has been set in motion with clear milestones of achievement. In view of the consolidation of the country presence initiative, the restructuring of human resource services to facilitate integration of decentralized staff into IFAD's regular management structures, and ensuring adequate support to them, will be a high priority.

Main outputs	
<ul style="list-style-type: none"> • Full implementation of middle-management strengthening programme by end 2008 (including implementation of 360 degree evaluation) • Restructuring of the Office of Human Resources by end 2008 • Linkage of staff assessments to corporate results • Consolidation of country presence initiative (this is a critical output that has also been included under CMRs 1 and 7) 	
Key performance indicators	Projection for 2008
Percentage of P5 and above staff who have attended a management development course	100%
Percentage of Professional positions filled within 9 months (from vacancy notification to staff entry on duty)	80%
Ratio of Professional to General Service staff	1 : 1
Vacancy ratio	6%
Estimated resource allocation	
CMRs 4-7 US\$45.3 million (see table 14)	

CMR 6 – Improved risk management

59. Effective management of risk is the key to successful achievement of objectives at all levels. The main thrust of this CMR is to increase management attention to risk management, and strengthen institutional capabilities to manage risks by embedding risk management into existing management processes, such as divisional management plans (DMPs), the corporate risk register, and results-based COSOPs. This will form part of the introduction of ERM at IFAD. An effort will also be made to better leverage the internal audit function to strengthen IFAD's capacity to manage risk, in turn matched by a more pro-active approach by Management in responding to internal and external audit recommendations.

Main outputs	
<ul style="list-style-type: none"> • ERM policy/framework developed in 2008 • Development of a comprehensive corporate risk register • Full implementation of corporate training programme on risk management by end 2008 	
Key performance indicators	Projection for 2008
Percentage of IFAD internal audit recommendations implemented	70%
Percentage of corporate-level risks rated 9 for importance	<15%
Estimated resource allocation	
CMRs 4-7 US\$45.3 million (see table 14)	

CMR 7 – Improved administrative efficiency

60. IFAD has the obligation to ensure that resources provided by its Member States are used in the most efficient way possible to achieve its mandate to reduce rural poverty. Efforts to increase administrative efficiency must necessarily be pursued in a sustained fashion and within a medium-term perspective to avoid compromising the quality of administrative services, upon which IFAD's operational effectiveness depends. Ultimately, the aim will be to further increase the share of budgetary resources dedicated to operational activities.
61. This CMR will be achieved through rationalization and streamlining of business processes to ensure that on the one hand internal services are performed and delivered more efficiently, and on the other that the amount of time spent by staff on administrative tasks is reduced. Efficiencies will be sought in part by taking advantage of improved information and communication technology, but also by exploring options for outsourcing, off-shoring, and sharing services with other Rome-based United Nations agencies.

62. High priority will also be placed on providing full administrative support to ensure prompt and successful integration of the country presence initiative into IFAD's regular management structures.

Main outputs	
<ul style="list-style-type: none"> • Relocation to the new headquarters premises is completed in 2008 • Consolidation of country presence initiative (this is a critical output that has also been included under CMRs 1 and 5) 	
Key performance indicators	Projection for 2008
Efficiency ratio	16.3%
Ratio of direct operational costs to total budget	61%
Ratio of Programme Management Department to total IFAD staff	40%
Estimated resource allocation	
CMRs 4-7 US\$45.3 million (see table 14)	

CMR 8 – More strategic international engagement and partnership

63. IFAD's most direct impact on helping rural poor people to overcome poverty is delivered at country level, through project and programmes. But a conducive, enabling environment is essential if the impact of country-level activity is to be maximized. As an international financial institution and a specialized United Nations agency, IFAD has opportunities to inform and, albeit in a modest way, to influence that environment – and a duty to rural poor people to do so.
64. IFAD does this primarily through drawing on the knowledge and experience generated by the projects it finances, by supporting poor people and strengthening their organizations (thereby enabling rural poor people to speak for themselves in international forums rather than seeking to speak on their behalf), and by developing close partnerships on policy and advocacy with strategic partners. These include IFAD's sister agencies in Rome, other United Nations agencies, the World Bank, the African Development Bank, and members of the Consultative Group on International Agricultural Research. IFAD engages with these partners on a range of issues that are important for rural poor people, including those relating to food, agricultural and rural development, and improving aid effectiveness (e.g. the Paris, One United Nations and Monterrey processes). The implementation of this CMR is closely linked to that of CMRs 1, 2 and 3, as an effective two-way flow of knowledge between the country level and the regional/international level.
65. This CMR is new – there was no CMR capturing IFAD's policy and advocacy responsibilities in 2007. It is still a work in progress, and the KPIs will be further refined during 2008.

Main outputs	
<ul style="list-style-type: none"> • Production of the Rural Poverty Report • Up-to-date and relevant Rural Poverty Portal • Substantive contribution/engagement in relevant regional/international forums (e.g. the Farmers' Forum, the United Nations Commission on Sustainable Development-16, the United Nations Economic and Social Council, Financing for Development (High Level Forum on Aid Effectiveness; 2008 Accra) • New global/regional grants developed 	
Key performance indicators	Projection for 2008
Number of international forums where IFAD makes a substantive contribution (of a policy and/or financial nature) ^a	5
Number of policy reference groups developing a corporate IFAD position as a platform for engagement on specific themes	3
Number of regional meetings of farmer organizations with substantive IFAD support ^a	2
Stronger partnership developed with at least two international partners	2
Estimated resource allocation	
US\$11.7 million (see table 14)	

^a Qualitative assessments of IFAD's performance will be carried out through standard surveys, to be tested in 2008, assessing partners' perceptions of IFAD's contribution to the main events it participates in or convenes.

Part Two – 2008 work programme and budget for IFAD's Office of Evaluation

I. Background

66. Discussions took place on the preview of the 2008 work programme and resource issues of the Office of Evaluation (OE) during the Evaluation Committee's forty-eighth session and the Executive Board's ninety-first session, which were both held in September 2007. Thereafter, the OE 2008 work programme and budget was discussed in the forty-ninth session of the Evaluation Committee in October. Building on the comments and guidance of the Executive Board and Evaluation Committee, OE has prepared its final work programme and budget proposal for 2008 for discussion at the ninety-second session of the Board in December 2007. Prior to this, as per the Board's decision, the final proposal was also considered by the Audit Committee in November 2007.

II. Summary of the 2008 work programme and budget

67. The 2007 OE work programme and budget were unusually large, as compared with previous years, because of a surge in the number of complex evaluations, in particular, the joint evaluation with the African Development Bank (AfDB). However, as instructed by the Board in December 2006, the proposed OE work programme and budget for 2008 will return to a more sustainable level.
68. At its September session, the Executive Board expressed support for the work programme and acknowledged the importance of the proposed evaluations. It also noted the proposed reduction in the budget proposal presented in September of around 8 per cent in real terms as compared to the 2007 budget. Following an assessment of the evaluability of some of the proposed evaluations and as agreed with the Evaluation Committee in October, OE is now proposing a further reduced work programme¹⁰ and budget and has also managed to lower the level of human resources required in 2008. These changes will result in a total reduction of US\$357,000 in the proposed budget for 2008 (currently standing at US\$5.47 million) as compared with the US\$5.82 million figure of the 2007 budget.

III. Achievements in 2007

69. Overall, OE has been able to implement all but one of the planned activities for 2007.¹¹ The specific achievements are listed in Annex XVI.
70. More specifically, the planned corporate-level evaluations for 2007 are on track, in particular, the joint evaluation with the AfDB on agricultural and rural development in Africa.
71. In November 2007, OE initiated the corporate-level evaluation of IFAD's capacity to promote replicable innovations for rural poverty reduction. This evaluation will include the assessment of the IFAD Initiative for Mainstreaming Innovation, which the Board requested when approving the initiative in December 2004.
72. OE has completed the evaluation of IFAD's Field Presence Pilot Programme. Among other issues, the evaluation concluded that the question for future consideration is not whether field presence is needed, but rather what form of country presence is most appropriate for an organization such as IFAD to pursue, in order to maximize its development effectiveness. The evaluation was discussed in the forty-eighth

¹⁰ OE will not undertake the Meso-America evaluation and the evaluation of the IFAD Policy on Sector-wide Approaches for Agriculture and Rural Development has been postponed to 2009.

¹¹ The commencement date of the Sudan country programme evaluation (CPE) was postponed because of unforeseen delays in the entry-on-duty date of the senior evaluation officer assigned to the CPE. In terms of unplanned activities, OE is participating in the evaluations of the Paris Declaration on Aid Effectiveness and of the One United Nations pilot initiative together with the United Nations Development Group and United Nations Evaluation Group, respectively. It also was a core contributor to the proposal to establish one United Nations-wide independent evaluation body.

session of the Committee and the ninety-first session of the Board, as well as during an informal seminar of the Board before its ninety-first session.

73. The evaluation of the IFAD Rural Finance Policy was also completed by OE in 2007, and presented to the Evaluation Committee at its forty-sixth session. The evaluation recognized that IFAD is a leader in rural finance globally, in terms of volume of investment, although it was noted that the performance of IFAD's rural finance operations needs improvement. Among other issues, the evaluation recommended that IFAD update its corporate rural finance policy, which was prepared in 2000.
74. The evaluation of the regional strategy for the Near East and North Africa will be completed by the end of December 2007. It found that the regional strategy was generally in line with IFAD's corporate strategies and priorities, but the resources allocated were too limited for an adequate implementation of the strategy through IFAD country programmes and operations.
75. OE worked on a number of country programme evaluations (CPEs) in 2007. First, it completed the Mali and Morocco CPEs. The Mali evaluation, inter alia, highlighted the importance of paying due attention to enhancing livelihoods through viable value-chain approaches, taking full account however of the limitations (e.g. in terms of infrastructure, access to markets and other services) of the marginal areas where the rural poor targeted by IFAD reside.
76. The Morocco CPE found the IFAD programme to be satisfactory in terms of performance and impact on rural poverty reduction, especially with regard to increased food security, diversification of income and improved productive resources. It was also noted that the lack of a permanent presence in the country was hampering IFAD's ability to engage effectively in policy dialogue activities.
77. The Brazil CPE revealed that the performance of IFAD-supported operations in the country has been good, whereas the promotion of innovations and non-project activities such as policy dialogue, knowledge management and partnership-building – especially with donor organizations – have been weak. Finally, the evaluation underlines the importance for IFAD to reflect on its overall approach and priorities for engagement in a middle-income country such as Brazil.
78. OE completed the field work related to the Ethiopia, Nigeria and Pakistan CPEs. Preparatory activities related to the CPE for the Sudan have been undertaken. Finally, OE undertook five project evaluations – in Albania, Belize, Burkina Faso, Pakistan and the Philippines – and completed a project evaluation in Romania that had been started in 2006.
79. OE produced the fifth edition of the Annual Report on Results and Impact of IFAD Operations (ARRI). The analysis reveals that 73 per cent of the 2006 cohort of projects evaluated were satisfactory in terms of overall achievement. However, sustainability remains a challenge with 47 per cent of the projects evaluated last year proving unsatisfactory in this area. Access to the markets and monitoring and evaluation are also areas that need further improvement.
80. Moreover, as anticipated last year, in addition to providing a comprehensive account of the results and impact of IFAD operations, this year's ARRI report has devoted specific attention to two learning themes – sustainability and innovation. Finally, the report proposes three topics, namely the issue of country context, the weak monitoring and evaluation at project level, and weaker impact domains such as access to markets and environment, which have emerged repeatedly in OE evaluations as areas of concern.
81. As per the terms of reference of the Evaluation Committee, OE organized four sessions of the Committee: in April, September, October and December. In addition, OE organized the annual field visit of the Committee to Mali, which allowed the Committee to visit IFAD-funded projects on the ground and take part in the Mali CPE national round-table workshop. OE also held an orientation session for new members of the Evaluation Committee in September, which introduced them to the

Evaluation Policy, the terms of reference and rules of procedure of the Evaluation Committee, OE's evaluation methodologies and so on.

82. The new evaluation manual, which will contain OE's country programme and project evaluation methodologies and processes will be issued in 2008, following discussions with the International Expert Panel¹² set up by OE and the Evaluation Committee in a dedicated session in 2008.
83. On a related aspect, significant attention has been devoted to evaluation quality assurance by conducting internal peer reviews for all evaluations. For corporate-level evaluations and selected CPEs, OE also uses external senior independent advisers to provide inputs in the undertaking of such evaluations. OE also organized a training workshop for all evaluation officers and a group of core consultants to strengthen the analysis of project efficiency in evaluation activities.
84. OE was an active member of a corporate task force responsible for developing the Results Measurement Framework. Moreover, as a further step towards harmonizing IFAD's independent and self-evaluation methodologies, the Programme Management Department adopted in 2007, the same six-point rating scale used by OE for producing individual project status reports.¹³
85. The division has strengthened its engagement in various international evaluation platforms and processes. The director of OE took part in the annual meeting of the United Nations Evaluation Group (UNEG)¹⁴ and also of the Evaluation Cooperation Group (ECG),¹⁵ in which OE has been invited to participate as an observer for the time being, pending the decision for OE to become a full member of this group. One OE evaluation officer is an active member of the Network of Networks on Impact Evaluations (NONIE) working group of the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC). Finally, OE continued to implement its partnership agreement with the Swiss Agency for Development and Cooperation, which has provided supplementary funds for the undertaking of selected evaluation activities.
86. OE is contributing, within UNEG, to the evaluation of the One United Nations pilot initiative. Moreover, following the initiative of OECD/DAC, the United Nations Development Group (UNDG) invited IFAD to participate in the evaluation of the Paris Declaration on Aid Effectiveness. In addition, within the framework of the Secretary General's High-Level Panel on System-wide Coherence, OE prepared – together with the Food and Agriculture Organization of the United Nations and the United Nations Development Programme (UNDP) – the conceptual framework for the establishment of a United Nations-wide independent evaluation office.
87. Following the workload assessment carried out in 2006 for Professional staff, a similar exercise for OE General Service staff was completed earlier in 2007. The undertaking of the OE workload assessment is a key step towards enhancing the overall management and performance of the division's human resources. The assessment concluded that the workload was generally very heavy, but rather than proposing an increase in General Service staff, OE opted for introducing measures aimed at increasing the efficiency and effectiveness and quality of the entire OE team through a comprehensive team-building and renewal process involving all OE staff. This process has already produced tangible results, inter alia, in terms of

¹² Consisting of Professor Robert Picciotto (former Director General of the World Bank's Independent Evaluation Group), Mr Robert van den Berg (Director of the Evaluation Office of the Global Environment Facility), Mr Siva Kumar (Visiting Professor, Indian School of Business, Hyderabad, India), Ms Zenda Ofir (former Chairperson of the African Evaluation Society), and Ms Eva Lithman (Head of Secretariat of Evaluation and Internal Audit, the Swedish International Development Cooperation Agency [SIDA] and Chair of the Evaluation Network of the Organisation for Economic Co-operation and Development/Development Assistance Committee [OECD/DAC]).

¹³ This year, PMD also converted all ratings in the 2006 project status reports from a 4-point to a 6-point scale.

¹⁴ The UNEG is composed of representatives of the evaluation offices of United Nations organizations. It serves, inter alia, as a platform for exchanging experiences on evaluation methodology and good practices, planning joint evaluations across United Nations-funded projects and programmes, establishing standards and norms for evaluation in the United Nations system.

¹⁵ With a broadly similar mandate to the UNEG, the ECG is composed of representatives of multilateral development banks.

efficiency gains,¹⁶ which will allow for more rational use of staff resources required by OE in 2008. More specifically, the workload assessment provided an initial opportunity to revisit the ratio between OE Professional and General Service staff. Based on its conclusions and the measures being deployed to enhance further the overall management and performance of the division, OE has reduced in 2008 half a Professional and one General Service position (see paragraph 113).

IV. Taking stock of 2007

88. Experience over the past years has illustrated the value of using ratings in evaluations as a means of assessing project performance and impact. However, at the same time, OE increasingly recognizes the need to enhance consistency in applying the rating system across all evaluations in order to minimize inter-evaluator variability¹⁷ through, for example, systematically briefing at headquarters all evaluation mission leaders and internal peer reviews.
89. Effective management of consultants is crucial for the work of OE. The division is therefore investing appropriate time for this topic, and is working¹⁸ on the development of a database of consultants for evaluation, formulating guidelines for determining the level of effort for different types of consultants, establishing approaches for identifying new consultants and criteria for evaluating consultants' performance, and so on. Activities related to management of consultants will continue next year.
90. On another issue, OE staff themselves have, increasingly, been devoting more time to each evaluation activity as compared with the past, especially through more comprehensive involvement in the undertaking of evaluation analysis, report preparation and outreach as well as peer reviews. Among other issues, deeper engagement by OE staff in each evaluation enables them to play a more effective and wider role in the evaluation feedback and learning loop, which is an aspect that cannot be outsourced to consultants.
91. As per the terms of reference of the Evaluation Committee, OE periodically organizes field visits for the Evaluation Committee. Given the importance and periodicity of these events, and taking into account observations made by some Committee members, efforts will be made to prepare Committee members so that they can undertake the field visit in a more systematic manner, for example by organizing a seminar on the topic before the field visit. Moreover, steps will be taken to maximize interaction between the Committee and rural poor communities in the field, and to allocate more time to assessing the results of IFAD-funded activities on the ground.

V. OE priorities for 2008

92. OE has four priorities for 2008, which take into consideration the requirements of the Evaluation Policy and the terms of reference of the Evaluation Committee. The IFAD Strategic Framework 2007-2010, the Action Plan and the related ongoing process of renewal in the Fund have also been taken into consideration.
93. The four main priority areas for 2008 are:
 - (a) conducting of selected corporate-level, country programme, and project evaluations;
 - (b) specific evaluation work required by the Evaluation Policy and the terms of reference of the Evaluation Committee;

¹⁶ This includes streamlined procedures for identification and recruitment of consultants, and their overall management in the context of evaluation processes; and improving communication in support of the evaluation function.

¹⁷ Which is an issue affecting all evaluation outfits of developing agencies.

¹⁸ Within the framework of the above-mentioned team building process.

- (c) evaluation outreach and partnerships; and
 - (d) evaluation methodology development.
94. Priority area (a) represents the core of OE's work programme. Under this priority, OE will complete a number of evaluations that were initiated in 2007. These include first and foremost the joint evaluation with AfDB on agricultural and rural development in Africa and the evaluation of IFAD's capacity to promote replicable innovations for rural poverty reduction. The latter will assess the broader efforts of IFAD in promoting replicable innovations and include an assessment of the Initiative for Mainstreaming Innovation. As stated in the new IFAD Innovation Strategy adopted by the Board at its ninety-first session, the evaluation will be expected to contribute to the implementation of the strategy, which is part of the Action Plan.
 95. In April 2005, IFAD's Private-Sector Development and Partnership Strategy and the IFAD Policy on Sector-Wide Approaches (SWAp) for Agriculture and Rural Development were approved by the Executive Board. In so approving, the Board requested that OE undertake, in 2008, an evaluation of each initiative.¹⁹ However, as agreed with the Evaluation Committee and Executive Board in September, in order to give more time to the implementation of the private-sector strategy, this evaluation will now be initiated in 2009.
 96. With regard to the evaluation of the SWAp policy, OE has ascertained that IFAD has to date participated in financing only three SWAps: in Mozambique, the United Republic of Tanzania and Uganda respectively. With the exception of the Uganda SWAp, the disbursement rates are still very low: the rates for the Mozambique and the United Republic of Tanzania SWAps stand at around 5 per cent. Given the aforementioned, OE proposes to defer the evaluation of the SWAp policy to a later date.
 97. As mentioned above, in coordination with UNEG and UNDG respectively, OE is involved in the ongoing evaluations of the One United Nations pilot initiative and the Paris Declaration on Aid Effectiveness.
 98. OE will finalize the CPEs of Ethiopia, Pakistan, the Sudan and Nigeria, which commenced in 2007, and will initiate four new CPEs: in Argentina, Côte d'Ivoire, India and Mozambique. Additionally, OE plans six new project evaluations in Argentina, China, Cote d'Ivoire, the Democratic People's Republic of Korea, Guatemala and Madagascar.
 99. As per the request of the Evaluation Committee, through various evaluations OE will analyse the opportunities and challenges related to smallholder agriculture. This theme will be included in the joint evaluation on Africa, and pertinent CPEs that will be undertaken such as in India, Nigeria and other countries. This will provide the basis for a more comprehensive thematic evaluation on the topic in the coming years.
 100. Under priority area (b), OE will prepare the sixth ARRI report and present it to the Evaluation Committee in October and Executive Board in December 2008. Therefore, as a standing practice and following the recommendation of the Evaluation Committee, in future, OE will develop a more systematic link between the focus of its evaluations and the learning issues raised by the ARRI report that need additional attention. For example, this year's ARRI report notes that country context is an important factor in determining the results achieved by IFAD operations or that access to markets has been generally weak. As such, OE will devote special attention to the issue of country context and access to markets in the individual evaluations that the division will undertake in 2008. Finally, OE will also review and prepare its comments on the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) and the Portfolio Performance Report and Development Effectiveness Report.

¹⁹ See document EB 2005/84/R.4/Rev.1 and document EB 2005/84/R.5/Rev.1.

101. In addition, OE will prepare its 2009 work programme and budget, and present the same to the Evaluation Committee and Executive Board for consideration, as per established practice and within the agreed time frames. In this regard, as requested by the Evaluation Committee, next year, OE will develop a three-year rolling programme of work starting in 2009, which will also illustrate how the division is contributing to IFAD's new strategic directions and operational approaches.²⁰
102. As per the terms of reference of the Evaluation Committee, OE will organize four sessions of the Committee in 2008, and any special sessions considered necessary by the chairperson. An orientation session will be organized, as required, for any new members joining the Committee in 2008. In addition, OE will organize a field visit for the Committee. As in past years, the Committee will define the provisional agenda for 2009 at its last session of the year in December 2008, including the country of destination and time frames for the annual field visit.
103. With regard to priority area (c), OE will continue its efforts to ensure that the aspects of communication and dissemination are incorporated into each evaluation from the outset. The present practice of disseminating printed copies of evaluation reports and of profiles and insights to Executive Board Members and others, and the continuous updating of the Evaluation Knowledge System²¹ will be maintained.
104. In terms of partnerships, OE will continue to participate actively in the discussions of UNEG and ECG. It will also take part in selected international and regional conferences and workshops on evaluation and related themes.
105. In priority area (d), OE will continue to exercise thorough oversight to ensure that its evaluation methodologies are applied consistently across all evaluations. In this regard, OE will finalize its new evaluation manual (see paragraph 82), which will contain enhanced evaluation methodologies and processes. Specific efforts, such as a training session for OE staff and consultants, will be made in rolling out the manual. Finally, the internal peer review process will be strengthened and made an integral aspect of the division's work to ensure high-quality evaluations.
106. During its forty-eighth and forty-ninth sessions, the Committee briefly discussed options for further strengthening the Executive Board's oversight of IFAD's independent evaluation function and the effectiveness of the division (OE) that has been entrusted to it. In this regard, initial enquiries by OE indicate that there is no internationally recognized model for the oversight of evaluation bodies in multilateral organizations, even though elements of such a model (e.g. external peer reviews) are being experimented in selected United Nations organizations such as the World Food Programme (WFP), UNDP and the United Nations Children's Fund (UNICEF).
107. One option is to conceive the oversight function for OE as an integrated system that consists of two mutually reinforcing components – non-recurrent measures and continuous measures – elements of which are already in place at IFAD:
- (a) **Non-recurrent measures.** These are generally measures that are resource and time intensive and could be conducted periodically as specific initiatives with overall ownership by the Executive Board. They would include: (a) exposing OE to an external peer review,²² in the future and (b) reviewing – as and when required – the quality of OE's evaluation

²⁰ Two recent examples are the evaluations of the Direct Supervision Pilot Programme (2005) and Field Presence Pilot Programme (2007), which provided building blocks for IFAD's Policy on Supervision and Implementation Support and its country presence arrangements.

²¹ This may be accessed through the IFAD website <http://www.ifad.org/evaluation>.

²² Within the framework of UNEG and in cooperation with OECD/DAC, an approach to the undertaking of peer reviews of the evaluation function in United Nations organizations has been developed. Simultaneously, ECG is working towards a similar arrangement for international financial institutions. In this regard, OE actively participates in UNEG and has been recently admitted as an observer in ECG, and is therefore closely following the developments with regard to peer reviews.

methodologies and processes applied by OE, as contained in the evaluation manual; and

- (b) **Continuous measures.** These are standing activities, already fully or partly in place at IFAD, and include: (a) an internal quality assurance mechanism within OE consisting of systematic and well-structured internal peer reviews of all evaluations; (b) the use of senior independent advisors for higher-plane evaluations to reassure the Committee and Board of the quality of evaluations conducted by OE; and (c), Self-assessment and reporting by OE on its effectiveness as part of its annual work programme and budget proposal. This self-assessment should revolve around key questions such as the extent to which OE's work is independent, the usefulness and credibility of the evaluations conducted by the division, and the way in which consultants are selected, managed and appraised.

108. In sum, the Evaluation Committee requested OE to prepare a proposal for a system of oversight that could be applied in monitoring OE's effectiveness and the quality of its work in the future. The proposal – consisting of elements mentioned in paragraph 107 - would be discussed by the Evaluation Committee and the Executive Board within the framework of the submission of OE's 2009 work programme and budget.
109. In addition, in 2008, OE will discuss the new evaluation manual with the Evaluation Committee as outlined in paragraph 82. The division, furthermore, will continue to make use of internal peer reviews and senior independent advisers, as explained in paragraph 107.

VI. Human and financial resource requirements

110. The 2007 work programme and budget of OE was larger than in previous years both in terms of the number of evaluations planned and in terms of the resources required. This was a result of the increased number of higher-plane evaluations undertaken by OE in 2007, including the joint evaluation on Africa. However, as instructed by the Board in December 2006, OE has proposed a work programme and budget for 2008 that is considerably smaller than that of 2007. As requested by the Evaluation Committee, the proposed 2008 budget has also been compared with the 2006 budget, which is a more realistic benchmark given the exceptional character of the 2007 budget.
111. In September 2007, the Executive Board expressed support for the work programme and recognized the importance of many of the proposed evaluations. It also noted the considerable proposed reduction in budget. However, the Board requested OE to analyse further the priority and evaluability of some of the evaluations.
112. Based on the guidance of the Committee and the Board in September 2007, OE is now proposing a work programme for 2008 that no longer includes the Meso-America evaluation (following the decision of the Board in September 2007) and the private-sector policy evaluation (which will be deferred until 2009). Furthermore, OE proposes to postpone the evaluation of the SWAp policy until 2009 for reasons highlighted in paragraph 96.
113. The reduced work programme proposed for 2008 can be implemented with a lower level of human resources. This is also a consequence of the efficiency gains achieved through the current team-building and renewal process (see paragraph 87). In fact, in 2008, OE plans a reduction (as compared with 2007) of 0.5 in Professional staffing levels and of 1 FTE in General Service staffing levels (see table 3, annex XVII).
114. At its September session, the Evaluation Committee asked for more information on staff costs. In this regard, it is useful to underline the two main drivers of OE staff costs. These are:

- The need for OE to absorb the 12 per cent mandatory increase in standard costs²³ for 2008 into its staff costs component. The increases are driven by changes, for example, in the salary scale for all United Nations staff and in education grants, pension contributions, rental subsidies and home leave settlements. Unlike for the rest of IFAD, which has a much larger cadre of staff and therefore greater flexibility, the relatively small volume of staff in OE means that all the mandatory increases dictated by the International Civil Service Commission (ICSC) must be absorbed by the division to ensure that staff salaries and entitlements can be paid in a timely manner, as per IFAD's human resources provisions.
 - Moreover, as a result of the cumulative effects of these mandatory increases, next year, as in 2007, the staff costs component of the OE budget will be larger than the evaluation work component. Another factor that has contributed to this situation is that, as in 2007, OE staff will continue to devote more staff time to each evaluation activity than has been the case in the past, which is essential to further enhancing the quality of evaluation outcomes and to enabling the provision of more in-depth learning and evaluation feedback to IFAD's operations and other stakeholders throughout the evaluation process, an aspect that cannot be outsourced (see paragraph 90).
115. The above priorities and work programme require a budget that will entail a reduction of 13 per cent in real terms (i.e. not taking the mandatory increase into account) with respect to the OE budget for 2007 (see table 1, annex XVII). Given the size of the work programme and the scope of work as well as the mandatory increases in staff costs, it will not be possible to go back completely to the 2006 level. However, the magnitude of the proposed reduction for 2008 is exemplified by the fact that the proposed 2008 budget will entail only a 4 per cent increase in real terms over the OE budget in 2006. Finally, as requested by the Committee, table 2 in annex XVII provides a breakdown of OE's proposed budget according to its four priorities for 2008.
116. In November 2006, the Audit Committee requested that OE examine the possibility of developing a fixed ratio of OE's budget to either IFAD's administrative budget or its programme of work. Following investigation by OE, it was found that the evaluation budgets of other institutions such as the World Bank, AfDB, the Asian Development Bank, FAO, UNDP and WFP are **not** determined by any formally fixed ratio, either to the administrative budget or the programme of work. It is also noteworthy that the ratio of the OE administrative budget to the IFAD administrative budget and PDFF for 2008 (4.92 per cent) is lower than it was in 2007 (5.69 per cent) and 2006 (5.23 per cent).
117. The preliminary OE budget proposal for 2008 is US\$5.47 million and is presented in table 1, annex XVII.

²³ The same standard costs are applied for OE staff positions as in the rest of IFAD. As in the past, the standard costs are calculated and provided to OE by the Strategic Planning and Budget Division of IFAD, which includes the mandatory cost increases by the International Civil Service Commission.

Part Three – Recommendation

118. In accordance with Article 6, Section 10 of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations of IFAD, it is recommended that the Executive Board:

- approve the programme of work for 2008 at a level of SDR 417.0 million (US\$650 million), which comprises a gross grant programme of US\$42.2 million and a lending programme of SDR 389.9 million (US\$607.8 million). The proposed grant programme is made up of a country window grant programme of US\$9.8 million and a global/regional window programme of US\$32.4 million. It is proposed that this programme of work level be approved for planning purposes and that it be adjusted during 2008 in accordance with the level of resources available;
- approve the total PDFF in the amount of US\$38.8 million for 2008;
- authorize the President to submit to the thirty-first session of the Governing Council, firstly the administrative budget of IFAD for 2008 in the amount of US\$72.3 million, secondly, the capital budget of IFAD for 2008 in the amount of US\$2.0 million and thirdly, the administrative budget of IFAD's Office of Evaluation for 2008 in the amount of US\$5.47 million.

Projected resources available for commitment (2006-2008)

	<i>US\$ million</i>		
	<i>2008 Estimated</i>	<i>2007 Estimated</i>	<i>2006 Actual</i>
Committable resources at the beginning of the year	-	-	-
Loan cancellations	60.0	60.0	98.9
Exchange rate adjustment	-	(13.5)	(36.5)
Subtotal	60.0	46.5	62.4
Member contributions ^a	137.0	253.6	248.6
Loan reflows ^b	210.0	189.9	158.3
Net investment income ^c	65.0	100.0	57.9
HIPC debt initiative transfer	-	(20.0)	(10.0)
Operating expenditures (including Office of Evaluation) ^d	(85.1)	(69.8)	(76.7)
PDFF	(38.8)	(33.8)	(34.5)
Capital expenditure budget	(2.9)	-	-
Resources after expenditures	345.2	466.4	406.0
Commitments for loan and grants ^e	(650.0)	(589.9)	(563.3)
Resources before ACA	(304.8)	(123.5)	(157.3)
Net use of ACA	304.8	123.5	157.3

^a Member contributions for Replenishment VII are included only where the Instruments of Contribution have been deposited.

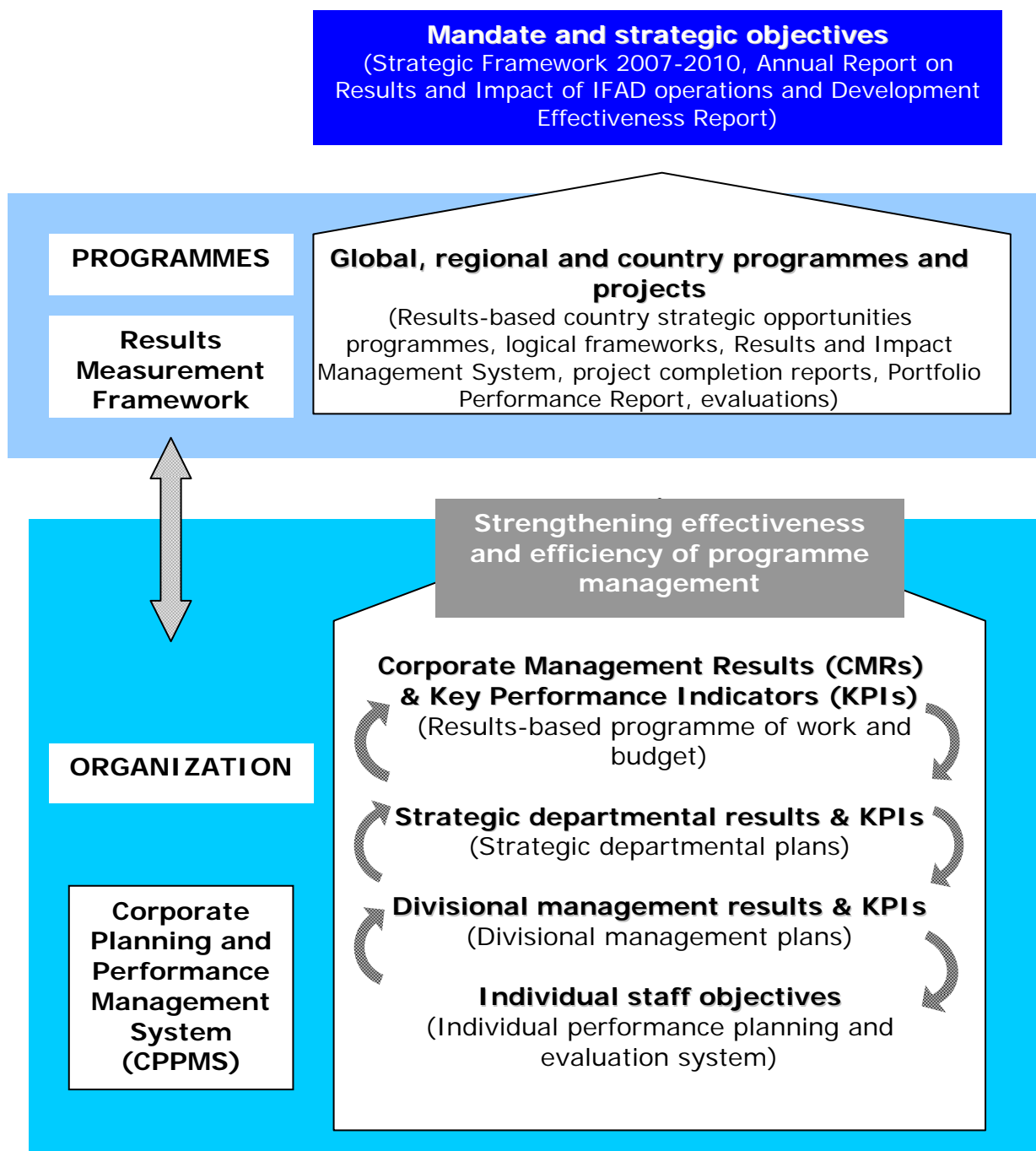
^b Loan reflows are shown gross of repayments on behalf of HIPC DI countries.

^c Current 2007 estimate as at October 2007.

^d Operating expenditures include one-time costs and Field Presence Pilot Programme (FPPP). 2008 operating expenditures include US\$1.8 million in relation to IFAD VIII Replenishment.

^e Commitments for loans and grants include grants approved directly by the President and exclude ex-grants transferred to the PDFF.

Relationship and alignment between the key instruments and processes that underpin IFAD’s approach to results management



Corporate Planning and Performance Management System (CPPMS)

The CPPMS is a series of tools and processes that aim to better focus and align, and more systematically manage resources and the quality of the work IFAD performs, from the corporate to the individual staff level, in order to deliver products and services that contribute to improved development impact.

Corporate management results (CMRs)

CMRs reflect what IFAD intends to improve on in the medium term in support of its longer-term objectives set out in the Strategic Framework 2007-10. CMRs serve to focus the human and financial resources directly controlled by IFAD towards increased programme quality, and ultimately enhanced development impact. Each of the CMRs adopted for 2008 is described in section VI in the main document.

Key performance indicators

Quantifiable measurements, agreed beforehand, that reflect the critical success factors of an organization.

Strategic departmental plans

These represent a higher-level medium-term plan for departments that translates the CMRs into concrete results and performance targets for the department, setting the stage for development of annual divisional management plans.

Divisional management plans (DMPs)

DMPs are more structured plans, incorporating elements that assist divisions in managing performance to achieve targets set at departmental and corporate levels (these elements include: outcomes, outputs, key performance indicators and performance targets, risks and mitigation strategies). DMPs also serve as a basis for the preparation of individual performance plans, in light of which the 2007 staff planning and performance appraisal guidelines were revised to reflect the role of DMPs.

Performance conversations

Management and reporting on the DMPs is in the form of performance conversations that take place once a quarter at division, department and Senior Management levels. Performance is monitored via key performance indicators and a traffic light system; learning and problem-solving are promoted in the process, combined with a mechanism for escalating risks to department or Senior Management level. Two such quarterly performance conversations have already taken place (the third quarter performance conversations are scheduled to take place during October). Both were carried out on schedule and enjoyed a very strong adherence by staff, middle and senior managers. This mechanism appears to be contributing smoothly to building the institutional culture of business planning, performance management and accountability.

Indicative lending programme

	Western and Central Africa	Eastern and Southern Africa	Asia and the Pacific	Latin America and the Caribbean	Near East and North Africa	Total
Indicative country list (gross programme)	Cape Verde Cameroon Congo DR Congo Ghana Mauritania Niger	Madagascar Mauritius Mozambique Randa Swaziland Tanzania	Afghanistan China India Indonesia Kyrgyzstan Nepal Pakistan Tajikistan Vietnam	Belice Brazil Ecuador Mexico Panama Venezuela	Albania Bosnia and Herzegovina Lebanon Moldova Sudan Syria	
	7	6	9	6	6	34
Reserve projects	Benin Burkina Faso Mali Senegal Sierra Leone	Ethiopia Zambia	DPR Korea Laos PNG	Bolivia Colombia Dominican Republic Guatemala Trinidad & Tobago	Georgia Jordan	

Average loan and grant size

		1998	1999	2000	2001	2002	2003	2004	2005 ^a	2006 ^b
Loan approvals										
Number of loans		29	30	27	24	24	25	25	31	31
Value of loans	US\$ million	407.9	432.7	409.0	391.6	353.2	403.6	433.4	478.4	515.0
Average loan size	US\$ million	14.1	14.4	15.1	16.3	14.7	16.1	17.3	15.4	16.6
Grant approvals^c										
Number of grants		110	124	120	106	85	70	87	66	109
Value of grants	US\$ million	30.2	29.6	32.8	30.8	23.9	20.3	33.3	36.6	41.8
Average grant size	US\$ million	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.6	0.4
Total IFAD loans and grants operations^d	US\$ million	438.1	462.3	441.8	422.4	377.1	423.9	466.7	515.0	556.8

Sources: IFAD Annual Reports and 2007 Programme of Work and Administrative Budget of IFAD and its Office of Evaluation

^a Includes four programmes (with IFAD financing of US\$33.7 million) approved outside the regular programme for countries affected by the tsunami.

^b Includes the additional loans (US\$35.0 million) approved for four programmes for countries affected by the tsunami.

^c Includes all categories of grants, but excludes transfer to the Programme Development Financing Facility.

^d Excludes fully cancelled programmes and projects.

Overview of budget execution in 2006 and performance against corporate management results to date in 2007

This annex presents an overview of execution of the administrative budget and the PDFF in 2006 as well as corporate performance thus far in 2007 as monitored by the Corporate Planning and Performance Management System (CCPMS).

Summary of 2006 budget execution

Administrative costs were significantly affected by the ICSC recommended retroactive increase in General Service salaries of 12.16 per cent. The exact amount of the increase was not known until well into the year and therefore a very conservative approach was taken with respect to management of the budget. A staff hiring freeze was implemented from 1 July 2006 to 31 December 31 2006, resulting in a slightly lower than usual utilization of the 2006 administrative budget (2006 was 96.4 per cent, 2005 was 99.6). The total amount of the 3 per cent carry forward²⁴ into 2007 is US\$1.875 million compared to only US\$209,000 earned in 2006. See details in Annex VIII - Carry Forward Funds.

PDFF expenditure in 2006 increased by 20 per cent in nominal terms, and utilization of total PDFF improved from 78 per cent to 90 per cent based on actual expenditure. Of the remaining 10 per cent not actually spent in 2006, 9 per cent has been committed to specific projects and carried forward into 2007. Total PDFF comprises the current year budget plus carry forward amounts and it should be noted that in 2006 the level of expenditure, at US\$34.5 million, exceeded the 2006 budget amount of US\$30.4 million. For an overview of actual expenditures from 2005-2006, see annex VII.

Expenditure on the 15 field presence pilot initiatives was stable in 2005 (US\$0.848) and 2006 (US\$.856); and US\$1.1 million (36.7 per cent) of the total US\$3 million budget remained to be spent.

Review of performance to date in 2007

The CPPMS was introduced in 2007 and has thus far enjoyed a high degree of support: it has promoted improved communication and understanding of expected results, more proactive monitoring of performance, increased alignment between operational and non-operational units, and a stronger results orientation at all levels – reflected in the recently approved core values of IFAD, the first of which is “focus on results”. Furthermore, it has provided a useful platform for **enterprise-wide risk management**. By providing a real-time and comprehensive overview of performance and risks, the performance conversation process has been deemed very useful by senior and middle managers and staff, and critical to strengthening IFAD’s capabilities to manage for development results.

This equips IFAD with a results-oriented accountability and performance management framework that has enormous potential to spur improved performance, combined with strengthened capacity to provide evidence-based accounts of its effectiveness in contributing to poverty reduction. This is reinforced by the fact that the system has been developed to permit benchmarking with comparable institutions, primarily through alignment with the Common Performance Assessment System (COMPAS) developed by the five main multilateral development banks (AfDB, AsDB, EBRD, IADB, and WB).

²⁴ IFAD is authorized to carry forward up to (but not exceeding) 3 per cent of the administrative budget not utilized.

The results achieved in 2007 to date for each CMR are shown below and are discussed in more detail in the IFAD's Report on Development Effectiveness.

CMR 1 - Better country programme management

KPI Description	Q1 '07	Q2 '07	Q3 '07
No. of borrowers with results-based COSOPs	2	3	10
% of cofinancing to IFAD lending	83.16	72.75	81.14

CMR 2 – Better project design (loans and grants)

KPI Description	Q1 '07	Q2 '07	Q3 '07
Number of new/revised knowledge tools for improved project design available	6	14	23
% of project designed rated good or better	54.55	60	80

CMR 3 – Better implementation support

KPI Description	Q1 '07	Q2 '07	Q3 '07
Avg. time from project approval to effectiveness	15.83	15.69	17.02
% of projects effective in last 12 months that are disbursing	64.29	68.97	57.14

CMR 4 – Improved resource mobilisation and management

KPI Description	Q1 '07	Q2 '07	Q3 '07
Instruments of contribution deposited as % of IFAD VII pledges	68.44	71.05	75.23
Supplementary resources mobilised (UDS million)	9.48	10.86	15.07
Rate of return on investments	1.03	1.47	2.26

CMR 5 – Improved human resource management

KPI Description	Q1 '07	Q2 '07	Q3 '07
No. of staff positions unfilled	38.70	40.00	7.2
Ratio of Professional to General Service Staff	1.04	1.06	1.06
% of advertised professional level recruitments completed within 80 days	0.00	18.18	0.00

CMR 6 – Improved risk management

KPI Description	Q1 '07	Q2 '07	Q3 '07
No. of IFAD internal audit recommendations implemented	4	29	46

CMR 7 – Improved administrative efficiency

KPI Description	Q1 '07	Q2 '07	Q3 '07
% of GB documents submitted on time to ES in accordance with procedures (in final format and fully cleared)	15.56	50.00	53.16
% of documents dispatched to EB on time	81.82	-	86
Ratio of PMD to total IFAD staff	36.41	36.59	36.59

NB. CMR 8 was created during 2007 and recently finalized, therefore no results are available for this CMR as yet.

Budget trends (2003-2008)

(Thousands of United States dollars)

	Approved Budget					Proposed Budget					
	2003	2004	% increase	2005	% increase	2006	% increase	2007	% increase	2008 ^b	% Incr/ (decr) ^c
Exchange rate EUR/US\$	1.07	0.898		0.819		0.819		0.786		0.737	
Administrative budget											
Staff costs	31 391	36 841	17.4	42 085	14.2	47 248	12.3	53 107	12.4	58 464	10.1
Other	8 260	9 731	17.8	11 218	15.3	13 889	23.8	14 384	3.6	13 842	(3.8)
Total administrative budget	39 651	46 572	17.5	53 303	14.5	61 137	14.7	67 491	10.4	72 306	7.1
PDFF	27 563	28 448	3.2	29 968	5.3	30 444	1.6	33 800	11.0	38 781	14.7
Total administrative budget and PDFF	67 214	75 020	11.6	83 271	11.0	91 581	10.0	101 291	10.6	111 087	9.7
Euro-zone Consumer Price Index^a	2.1	2.1		2.2		2.2		2.0		2.0	

^a The Consumer Price Index data from 2003 to 2006 was obtained from the European Central Bank.

The data relating to 2007 and 2008 has been forecast.

^b Does not include Eighth Replenishment

^c Includes increases due to Euro/US\$ exchange rate fluctuation

Overview of 2005-2007 actual expenditures

By source of funding	2005 Actual		2006 Actual		2007 Actual at end of second quarter
(Thousands of United States dollar)	% of total		% of total		
Administrative budget	55 178	61.5	61 175	62.2	33 724
One-time costs	2 753	3.1	368	0.4	25
PDFF	29 183	32.5	34 401	35.0	16 257
Management fees budget ^a	2 559	2.9	2 411	2.5	1 099
Total	89 673	100.0	98 355	100.0	51 105

^a Includes service charges for Supplementary Fund administrative budget, Global Mechanism and International Land Coalition.

By department ^b	2005 Actual ^c		2006 Actual ^c		2007 Actual at end of second quarter
(Thousands of United States dollar)	% of total		% of total		
External Affairs	14 171	15.8	16 593	16.9	8 650
Finance and Administration Office of the President and Vice- President	26 339	29.4	26 549	27.0	14 768
Programme Management	4 084	4.6	4 620	4.7	2 580
	45 079	50.3	50 593	51.4	25 107
Total	89 673	100.0	98 355	100.0	51 105

^b The IFAD North American Liaison Office and the former Resource Mobilization Division are included in the External Affairs Department for comparison purposes.

^c Includes the cost of the 12.16 per cent salary increase for General Service staff in the respective years.

Carry forward funds

(Thousands of United States dollars)

Carried forward funds from administrative budget ^a		2004	2005	2006	2007^b
PMD	Staff transfers from FAD and Global Mechanism	333	-	-	-
EAD	North American Liaison Office and Communications Division	414	-	-	-
EAD	Communication Division activities, Governing Council costs	307	-	-	-
FAD	Office of the Treasurer, Front Office and Strategic Planning and Budget	135	-	-	-
FAD	Headquarters childcare facility and utility costs increase	148	-	-	-
OPV	Office of Evaluation activities and headquarter activities	128	-	-	-
PMD	Western and Central Africa Division	-	126	-	-
EAD	Communications Division and front office	-	228	-	-
EAD	Communications Division, Policy Division and Office of the Secretary, Governing Council costs and Executive Board costs	-	495	-	-
FAD	Office of Human Resources, training costs	-	300	-	-
FAD	Office of Administrative Services, health, safety and security improvements and Executive Board costs	-	57	-	-
FAD	Management Information Systems Division, document server and additional workstations	-	85	-	-
OPV	North American Liaison Office	-	132	-	-
OPV	Office of Internal Audit, Office of the General Counsel and Office of the Vice-President	-	141	-	-
PMD	International Land Coalition evaluation	-	-	200	-
EAD	Indigenous Peoples exhibition	-	-	9	-
FAD	New headquarters building	-	-	-	700
FAD	Exchange mail server infrastructure	-	-	-	50
PMD	Global Environmental Facility	-	-	-	493
OPV	Office of the General Counsel	-	-	-	121
PMD	Staff under operating divisions	-	-	-	50
PMD	Earmarked for additional staff under operating divisions	-	-	-	460
Total amount carried forward		1 464	1 564	209	1 874

^a The 3 per cent carry-forward rule is applicable from the 2004 budget year onwards and consists of the following: Unobligated appropriations at the close of the financial year may be carried forward into the following financial year up to an amount not exceeding 3 per cent of the said financial year.

^b 2007 data is a forecast.

Budget preparation parameters

Staff Costs

The staff cost budget is prepared in accordance with the rules and regulations being applied to salaries, allowances and benefits for the staff of the United Nations, which are governed by the International Civil Service Commission (ICSC) of the United Nations Commons System.

Standard rates are developed for each grade level based on an analysis of statistical data of IFAD population and actual expenditures relating to IFAD staff. The various components of the rates represent the best estimate at the time of preparation of the budget document and have been calculated in collaboration with FAO, taking into account the pending recommendations by the ICSC.

The 2008 standard costs have increased by an average of 8 per cent compared to the corresponding 2007 rates restated at the 2008 euro-US\$ exchange rate. The following table shows the average percentage increase for each staff entitlement and its impact on the cost of the 2007 FTEs.

Components of increase in salaries and benefits Administrative budget at 0.737			
	US\$'000	Average increase General Service	Average increase Professional
2007 FTEs at 2007 rates	53 427		
a) Salaries	1 852	4%	7%
b) Pension & medical	642	7%	7%
c) Other allowances	109	6%	3%
d) Repatriation & separation	337	9%	9%
e) Education grant	136	N/A	8%
f) Home leave	41	N/A	4%
g) US tax	327	N/A	96%
h) Reduction of the "vacancy factor"	1 050		
Total changes	4 494	8%	
2007 FTEs at 2008 rates	57 921		

- a. Salaries: 3 per cent increase on General Service (GS) staff salaries effective November 2007 and a further 2.7 per cent increase effective November 2008 (over and above the 2006 12.16 per cent increase). Regarding Professional (PR) and higher categories, 4.57 per cent increase on gross and net salaries effective January 2007. Yearly step increases contributed 2.5 per cent to the PR increase.
- b. Pension: 3 per cent increase of GS scale of pensionable remuneration effective November 2007 and a further 2.7 per cent increase effective November 2008. Regarding professional and higher categories, 3.5 per cent and 3 per cent increase effective September 2007 and September 2008 respectively. Medical costs: 8 per cent increase in medical plan contributions estimated for 2008 plus higher cost impact (approximately US\$300,000) of the 5 per cent cap of the gross salary above which medical costs are borne in full by IFAD.

- c. Other allowances: The category includes costs for dependency and language allowances for GS (both increased by 3 per cent and expected to increase further by 3 per cent in November 2007); regarding the Professional and higher categories, costs for rental subsidy, dependency allowance and non-removal claims are expected to increase by 3 per cent compared to the 2007 standard cost.
- d. Repatriation and separation: Increase reflects the salary scale increase plus a provision for the cost related to unused annual leave.
- e. Education grant: Increase driven by a higher maximum admissible level of expenditures per staff member in 2007 plus an estimated 3 per cent increase in 2008.
- f. Home leave: Expected 4 per cent increase due to cost trend and estimated inflation.
- g. US tax: Significant increase in the US tax cost due to the change of policy in the United States regarding its calculation.
- h. Reduction of the "vacancy factor": In line with the past practice, the standard costs have been calculated taking into account the estimated savings in staff costs due to the natural turnover of staff. In 2008, this downward adjustment has been reduced from 3.5 per cent for Professionals and 2.5 per cent for GS staff in 2007 to 1.4 per cent for all staff in 2008. The decrease in the "vacancy factor" has an impact on all the staff cost items included in the standard costs and results in a US\$1 million increase in staff costs of the administrative budget.

Non-staff Costs

Within the administrative budget, a price increase of 2.0 per cent has been applied to non-staff costs excluding the training budget and contingency. The increase of 2.0 per cent represents the Harmonized Indices of Consumer Prices in the euro area projected for 2008 by Eurostat.

Within the PDFF, a price increase of 2.0 per cent has been applied to all non-staff costs except for cooperating institutions, for which price increases depend on the respective agreements.

Exchange rates

In line with IFAD's financial regulations, the administrative budget and PDFF is presented in US dollars, including a component of euro-denominated expenditures converted to US dollars at the exchange rate of EUR 0.737/US\$, representing the best estimate forecast at the time of preparation of the budget document. The proposed programme of work is presented in Special Drawing Rights (SDR²⁵) converted to US dollars on the basis of the exchange rate of US\$1.5588/SDR, representing the projected rate for 2008 at the time of budget document preparation.

²⁵ Special Drawing Rights are an artificial currency unit based upon several national currencies, serving as the official monetary unit of several international organizations including the International Monetary Fund.

2008 Administrative budget by activity^b

(Thousands of United States dollars)

	Office of the President and the Vice-President (OPV)			External Affairs Department (EAD)			Finance and Administration Department (FAD) ^a			Programme Management Department (PMD)			2008 Total Budget		
	2007	2008	% Inc (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)
Programme management															
Country programmes	153	247	61.4	1 327	111	(91.6)	-	-	-	4 035	3 213	(20.4)	5 515	3 571	(35.2)
Design of loans and grants	380	472	24.2	27	24	(11.1)	1 342	-	(100.0)	4 059	4 168	2.7	5 808	4 664	(19.7)
Loan implementation	186	174	(6.5)	-	-	-	655	1 761	168.9	2 551	4 966	94.7	3 392	6 901	103.4
Grant management	336	382	13.7	310	104	(66.5)	-	438	-	1 541	1 073	(30.4)	2 187	1 997	(8.7)
Total programme management	1 055	1 275	20.9	1 664	239	(85.6)	1 997	2 199	10.1	12 186	13 420	10.1	16 902	17 133	1.4
Partnership and policy engagement															
Manage external relationships	497	1 213	144.1	2 422	2 791	15.2	295	520	76.3	1 837	1 917	4.4	5 051	6 441	27.5
Knowledge management (KM) and policy development	113	219	93.8	3 516	4 444	26.4	-	-	-	2 053	1 178	(42.6)	5 682	5 841	2.8
Total partnership & policy engagement	610	1 432	134.8	5 938	7 235	21.8	295	520	76.3	3 890	3 095	(20.4)	10 733	12 282	14.4
Resource management															
Manage financial resources	54	56	3.7	338	165	(51.2)	4 557	4 416	(3.1)	252	429	70.2	5 201	5 066	(2.6)
Develop and manage human resources	149	121	(18.8)	273	387	41.8	4 595	5 844	27.2	334	805	141.0	5 351	7 157	33.8
Total resource management	203	177	(12.8)	611	552	(9.7)	9 152	10 260	12.1	586	1 234	110.6	10 552	12 223	15.8
Corporate services															
Manage information technology	36	39	8.3	970	964	(0.6)	5 950	4 866	(18.2)	41	54	31.7	6 997	5 923	(15.3)
Manage Occupancy & security costs	18	24	33.3	364	190	(47.8)	9 148	8 541	(6.6)	53	58	9.4	9 583	8 813	(8.0)
Total Corporate Services	54	63	16.7	1 334	1 154	(13.5)	15 098	13 407	(11.2)	94	112	19.1	16 580	14 736	(11.1)
Corporate planning & monitoring															
Planning and management	1 310	497	(62.1)	589	439	(25.5)	1 114	1 668	49.7	1 513	1 186	(21.6)	4 526	3 790	(16.3)
Risk management	2 202	2 348	6.6	-	10	-	369	134	(63.7)	10	-	(100.0)	2 581	2 492	(3.4)
Total corporate planning and monitoring	3 512	2 845	(19.0)	589	449	(23.8)	1 483	1 802	21.5	1 523	1 186	(22.1)	7 107	6 282	(11.6)
Governance and evaluation															
Governance	126	200	58.7	8 024	8 715	8.6	690	629	(8.8)	68	29	(57.4)	8 908	9 573	7.5
Evaluation	-	-	-	-	-	-	-	-	-	74	77	4.1	74	77	4.1
Total governance and evaluation	126	200	58.7	8 024	8 715	8.6	690	629	(8.8)	142	106	(25.4)	8 982	9 650	7.4
Grand Total	5 560	5 992	7.8	18 160	18 344	1.0	28 715	28 817	0.4	18 421	19 153	4.0	70 856	72 306	2.0

^a FAD Department includes IFAD corporate costs i.e. training, after-service medical coverage scheme, recruitment costs, maternity and paternity

^b The introduction of a new activity tree for 2008 is the cause of any distortion in the distribution of costs among activities between years

2008 Administrative budget by expense

(Thousands of United States dollars)

	Office of the President and the Vice-President (OPV)			External Affairs Department (EAD)			Finance and Administration Department (FAD) ^b			Programme Management Department (PMD)			2008 Total Budget		
	2007	2008	% Inc. (dec)	2007	2008	% Inc (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)
Administrative costs	153	160	4.6	1 406	758	(46.1)	2 670	1 878	(29.7)	98	135	37.8	4 327	2 931	(32.3)
Consultancy services	95	91	(4.2)	952	1 126	18.3	31	72	132.3	150	-	(100.0)	1 228	1 289	5.0
Facility management	-	2	-	-	-	-	3 909	3 514	(10.1)	-	-	-	3 909	3 516	(10.1)
Information technology services	-	-	-	4	-	(100.0)	2 108	2 295	8.9	-	-	-	2 112	2 295	8.7
Interpreters and translators	-	2	-	1 501	1 243	(17.2)	-	-	-	-	-	-	1 501	1 245	(17.1)
Staff costs ^a	5 039	5 403	7.2	13 653	14 442	5.8	19 285	19 754	2.4	17 838	18 865	5.8	55 815	58 464	4.7
Training	-	-	-	-	-	-	400	1 100	175.0	-	-	-	400	1 100	175.0
Travel costs	273	334	22.3	644	775	20.3	313	204	(34.8)	335	153	(54.3)	1 565	1 466	(6.3)
Total	5 560	5 992	7.8	18 160	18 344	1.0	28 715	28 817	0.4	18 421	19 153	4.0	70 856	72 306	2.0

^a Staff costs includes fixed-term staff , short-erm staff, overtime, after-service medical coverage scheme costs, recruitment costs, Food and Agriculture Organization of the United Nations medical charges, maternity and paternity replacement and separation packages previously under administrative costs.

^b FAD Department includes IFAD corporate costs i.e. training, after service medical coverage scheme, recruitment costs, maternity and paternity costs.

2008 Programme Development Financing Facility by Activity

(Thousands of United States dollars)

	Office of the President and the Vice-President (OPV)			External Affairs Department (EAD)			Finance and Administration Department (FAD)			Programme Management Department (PMD)			2008 Total Budget		
	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)
Programme management															
Country programmes	-	40	-	-	-	-	-	-	-	3 150	6 070	92.7	3 150	6 110	94.0
Design of loans and grants	36	35	(2.8)	-	-	-	-	-	-	10 089	11 028	9.3	10 125	11 063	9.3
Loan implementation	16	16	-	-	-	-	73	90	23.3	17 557	17 756	1.1	17 646	17 862	1.2
Grant management	-	-	-	-	-	-	-	-	-	1 302	1 905	46.3	1 302	1 905	46.3
Total programme management	52	91	75.0	-	-	-	73	90	23.3	32 098	36 759	14.5	32 223	36 940	14.6
Partnership and policy engagement															
Manage external relationships	-	69	-	-	-	-	-	-	-	467	383	(18.0)	467	452	(3.2)
KM & Policy Development	-	48	-	-	-	-	-	-	-	904	771	(14.7)	904	819	(9.4)
Total partnership and policy engagement	-	117	-	-	-	-	-	-	-	1 371	1 154	(15.8)	1 371	1 271	(7.3)
Resource management															
Manage financial resources	-	-	-	-	-	-	-	-	-	29	71	144.8	29	71	144.8
Develop and manage human resources	-	-	-	-	-	-	-	-	-	46	195	323.9	46	195	323.9
Total resource management	-	-	-	-	-	-	-	-	-	75	266	254.7	75	266	254.7
Corporate services															
Manage information technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage occupancy and security costs	-	-	-	-	-	-	-	-	-	-	19	-	-	19	-
Total corporate services	-	-	-	-	-	-	-	-	-	-	19	-	-	19	-
Corporate planning and monitoring															
Planning and management	-	-	-	-	-	-	-	-	-	367	265	(27.8)	367	265	(27.8)
Risk management	-	3	-	-	-	-	-	-	-	-	-	-	-	3	-
Total corporate planning and monitoring	-	3	-	-	-	-	-	-	-	367	265	(27.8)	367	268	(27.0)
Governance & Evaluation															
Governance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Evaluation	-	-	-	-	-	-	-	-	-	-	17	-	-	17	-
Total governance and evaluation	-	-	-	-	-	-	-	-	-	-	17	-	-	17	-
Total	52	211	305.8	-	-	-	73	90	23.3	33 911	38 480	13.5	34 036	38 781	13.9

2008 Programme Development Financing Facility by expense

(Thousands of United States dollars)

	Office of the President and the Vice-President (OPV)			External Affairs Department (EAD)			Finance and Administration Department (FAD)			Programme Management Department (PMD)			2008 Total Budget		
	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)	2007	2008	% Inc. (dec)
Administrative costs	-	-	-	-	-	-	-	-	-	107	503	370.1	107	503	370.1
Consultancy services	-	-	-	-	-	-	-	-	-	14 044	19 618	39.7	14 044	19 618	39.7
Cooperating institutions	-	-	-	-	-	-	-	-	-	13 167	6 746	(48.8)	13 167	6 746	(48.8)
Facility management	-	-	-	-	-	-	-	-	-	-	124	-	-	124	-
Information technology services	-	-	-	-	-	-	-	-	-	-	5	-	-	5	-
Interpreters and translators	-	-	-	-	-	-	-	-	-	-	14	-	-	14	-
Staff costs	-	160	-	-	-	-	-	-	-	4 201	8 335	98.4	4 201	8 495	102.2
Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel costs	52	51	(1.9)	-	-	-	73	90	23.3	2 392	3 135	31.1	2 517	3 276	30.2
Total	52	211	305.8	-	-	-	73	90	23.3	33 911	38 480	13.5	34 036	38 781	13.9

Staffing tables

2008 Staff levels

Administrative budget - Total staff ^a (No. of FTEs)

	2007					2008				
	Fixed term					Fixed term				
	PR and higher	GS	Total Fixed Term	Short Term Staff	Total 2007	PR and higher	GS	Total Fixed Term	Short Term Staff	Total 2008
External Affairs Department (EAD)										
Office of the Assistant President	2.0	2.0	4.0	0.3	4.3	5.0	2.0	7.0		7.0
Information and Communication Division	11.0	7.0	18.0		18.0	12.0	7.0	19.0		19.0
Policy Division	8.0	5.0	13.0		13.0	9.0	5.0	14.0		14.0
Office of the Secretary	16.0	35.8	51.8	9.8	61.6	16.0	38.8	54.8	8.9	63.8
Resource Mobilization Division	7.0	4.0	11.0		11.0			0.0		0.0
North American Liaison Office (NALO)	3.0	1.0	4.0		4.0	3.0	1.0	4.0		4.0
Total EAD	47.0	54.8	101.8	10.0	111.9	45.0	53.8	98.8	8.9	107.8
Finance and Administration Department (FAD)										
Office of the Assistant President	1.0	1.0	2.0		2.0	2.0	1.0	3.0		3.0
Office of the Controller	13.0	20.0	33.0		33.0	13.0	20.0	33.0		33.0
Office of Strategic Planning and Budget	6.0	3.0	9.0		9.0	6.0	1.0	7.0		7.0
Office of the Treasurer	8.0	6.0	14.0		14.0	7.0	6.0	13.0		13.0
Office of Human Resources	6.0	11.0	17.0		17.0	7.0	10.0	17.0	2.0	19.0
Management Information Systems Division	14.0	16.7	30.7		30.7	14.0	16.0	30.0		30.0
Administrative Services Division	5.0	31.8	36.8	3.9	40.7	5.0	29.8	34.8	2.3	37.1
Total FAD	53.0	89.5	142.5	3.9	146.3	54.0	83.8	137.8	4.3	142.1
Office of the President and Vice-President (OPV)										
Office of the President	2.0	3.0	5.0		5.0	2.0	3.0	5.0		5.0
Office of the Vice-President	1.0	2.0	3.0	0.3	3.3	1.0	2.0	3.0		3.0
Office of Audit and Oversight	5.0	3.0	8.0		8.0	5.0	3.0	8.0		8.0
Office of the General Counsel	8.0	6.0	14.0	1.0	15.0	8.1	6.8	14.9		14.9
Total OPV	16.0	14.0	30.0	1.3	31.3	16.1	14.8	30.9	0.0	30.9
Programme Management Department (PMD)										
Office of the Assistant President	8.0	3.0	11.0	0.5	11.5	7.0	3.0	10.0		10.0
Western and Central Africa Division	11.0	10.2	21.2		21.2	11.0	9.0	20.0		20.0
Eastern and Southern Africa Division	11.0	7.0	18.0		18.0	13.0	6.0	19.0		19.0
Asia and the Pacific Division	9.0	7.0	16.0	0.3	16.3	10.0	6.0	16.0		16.0
Latin America and the Caribbean Division	9.0	8.0	17.0		17.0	9.0	7.0	16.0		16.0
Near East and North Africa Division	8.0	6.0	14.0	0.8	14.8	8.0	6.0	14.0		14.0
Technical Advisory Division	8.8	6.0	14.8		14.8	8.2	6.0	14.2		14.2
Total PMD	64.8	47.2	112.0	1.5	113.4	66.2	43.0	109.2	0.0	109.2
Grand total	180.8	205.5	386.3	16.7	402.9	181.3	195.4	376.7	13.2	389.9

a. Full Time Equivalent (FTE) = 12 months. Includes part-time staff corresponding to less than one FTE.

Staffing tables cont.

2008 Staff levels

PDFF - Total staff ^a (No. of FTEs)

2007

2008

	Fixed term					Fixed term				
	PR and higher	GS	Total fixed term	Short-term staff	Total 2007	PR and higher	GS	Total fixed term	Short-term staff	Total 2008
Office of the President and Vice-President	0.0	0.0	0.0		0.0	1.0		1.0		1.0
Programme Management Department										
Office of the Assistant President	0.6	0.2	0.8		0.8	0.2	0.2	0.4	0.2	0.6
Western and Central Africa Division	3.0	3.0	6.0		6.0	4.2	4.4	8.6	0.0	8.6
Eastern and Southern Africa Division	3.0	3.0	6.0	1.6	7.6	5.2	5.2	10.4	1.0	11.4
Asia and the Pacific Division	3.7	5.0	8.7		8.7	6.7	5.0	11.7	0.0	11.7
Latin America and the Caribbean Division	4.0	2.0	6.0		6.0	8.9	0.2	9.1	0.0	9.1
Near East and North Africa Division	2.0	4.0	6.0		6.0	5.7	4.2	9.9	0.8	10.7
Technical Advisory Division	3.3	1.0	4.3		4.3	4.8	1.0	5.8	1.5	7.3
Global Environmental Facility	2.0	2.0	4.0		4.0	0.0	0.0	0.0	0.0	0.0
Total PMD	21.5	20.2	41.7	1.6	43.3	35.6	20.2	55.8	3.4	59.2
Grand Total	21.5	20.2	41.7	1.6	43.3	36.6	20.2	56.8	3.4	60.2

a. Full Time Equivalent (FTE) = 12 months. Includes part-time staff corresponding to less than one FTE.

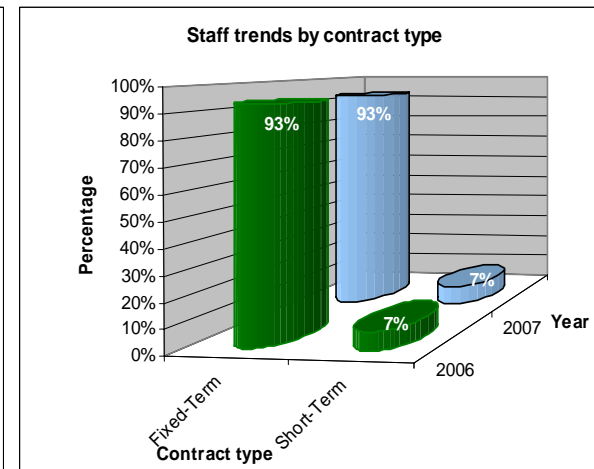
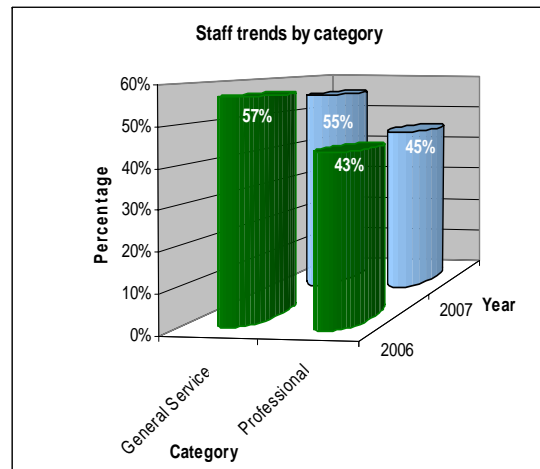
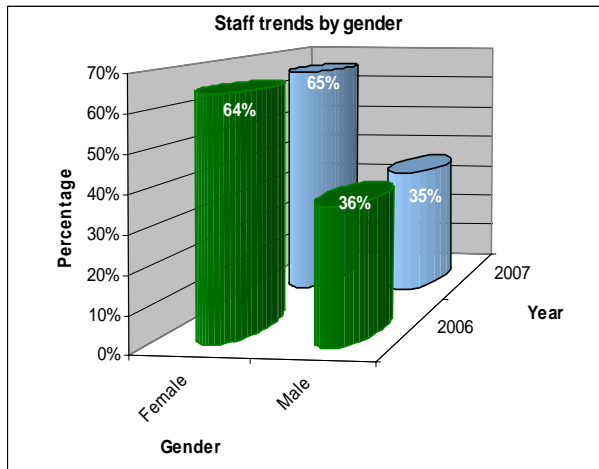
Staffing tables cont.

Administrative budget & PDFF- ratio of Professional to General Service staff^a

Department	2006	2007	2008 Budget (FTEs)			Ratio P:G ^b
	Ratio P:G ^b	Ratio P:G ^b	Professional	General Service	Total	
External Affairs Department (EAD)	0.70	0.74	45.00	62.80	107.80	0.72
Finance and Administration Department (FAD)	0.53	0.55	54.00	88.10	142.10	0.61
Office of the President and Vice-President (OPV)	1.13	1.29	17.10	14.80	31.90	1.16
Programme Management Department (PMD)	1.03	1.08	101.80	66.60	168.40	1.53
Total	0.76	0.81	217.90	232.30	450.20	0.94

^a. Based on headcount of staff with fixed-term and short-term contracts as of 31 December 2006 and 30 September 2007.

^b. P= staff belonging to the Professional or higher categories; G= staff belonging to the General Service category performing secretarial tasks and/or providing substantive functional assistance.



2008 Proposed capital budget

119. The proposed IT initiatives stem from a strategic planning process initiated in the second half of 2007 that has collected input from all departments and reviewed key IT needs in IFAD for the next three years in terms of system and infrastructure development. These strategic needs have been prioritized and the most urgent work has been proposed for execution in 2008 while further detailed analysis and design work in other areas is completed during the year. Priority has been assigned to three areas namely, loan and grant management, process streamlining and IT infrastructure renovation.
120. To support these initiatives, a new ICT governance process has been established with wide representation from the house to oversee the implementation of IT projects and to ensure appropriate monitoring and reporting mechanisms. Business Analysts have been added to the internal team and an ambitious training program is under way to ensure that the team is equipped with necessary technical and managerial skills.

Capital Budget
(Thousands of United States dollars)

Information Technology Strategic directions	Proposed 2008
1. Loan and grant management integration	1 100
2. Streamlining institutional processes	300
3. IT infrastructure renovation	600
Business continuity and Desktop replacement	
Grand Total	2 000

Initiative 1. Loan and grant management integration

121. *LGS replacement*: The corporate Loans and Grants System (LGS) is more than 12 years old and is showing increasing signs of functional obsolescence. The application is based on a legacy platform, not linked to IFAD's financial platform, and does not provide adequate support to a core business function of the fund. IFAD plans to replace the LGS with a web-based solution for loan and grant management that will integrate the loan and grant financial transactions with IFAD's PeopleSoft financial system. The estimated funding required in 2008 for the first phase of this project amounts to US\$1,100,000.

Initiative 2. Streamlining of institutional processes

122. *Enterprise resource planning (ERP) optimization*: The purpose of this project is to achieve greater administrative efficiency and cut the paper flow across the organization by streamlining and optimizing a number of processes within the scope of PeopleSoft applications. While a review of processes across the ERP implementation is currently under way, areas for significant efficiency gains identified so far include performance management, consultants' management and travel management. The estimated funding required for this project in 2008 amounts to US\$300,000.

Initiative 3. Information technology infrastructure renovation

123. *Business continuity platform:* In 2004 IFAD launched the implementation of a remote data replication facility as a first step towards a business continuity solution. In 2008 IFAD plans to take a further step towards business continuity by establishing the foundation of a disaster recovery / business continuity platform to preserve IFAD's core systems.
124. All the desktop computers being used by the staff are presently not owned but being rented by IFAD. These are almost five years old, and are giving increasing signs of obsolescence and are creating a growing maintenance burden for the IT organization. The current rental contract, which has already been extended for almost two years beyond the expected useful life of the equipment, is expiring at the end of 2007 and the equipment needs to be returned to the lessor. With the new capital budget procedures, IFAD plans to replace all desktop computers by purchasing approximately 500 desktop computers based on IFAD's standard configuration for an estimated cost of US\$500,000 beginning in early 2008. This will equip users with the appropriate productivity tools and reduce the risk of work disruption due to hardware failure. The purchase price of this equipment will be capitalized as a capital asset and depreciated over their useful life of between 4 to 5 years. And at the end of this period, the asset remains to be the property of IFAD unlike in a rental arrangement, where the property is returned to the lessor or if lost, will be repaid at the cost of the purchase price at the beginning of the rental agreement. The total estimated funding required for business continuity and new desktops in 2008 amounts to US\$600,000.

OE Achievements in relation to planned priorities and activities in 2007

<i>Priority area</i>	<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
Priority A: Conducting of selected corporate- level, country programme, and project evaluations	1. Corporate-level evaluations	IFAD Rural Finance Policy	To be completed in March 2007	Completed
		Field Presence Pilot Programme	To be completed in July 2007	Completed
		Regional Strategy in Near East and North Africa	To be completed in March 2007	Will be completed at the end of December 2007
		IFAD's Capacity to Promote Replicable Innovations for Rural Poverty Reduction	To start in December 2007	Started and will be completed as per plan in December 2008
		Joint evaluation with AfDB on Agricultural and Rural Development in Africa	To start in January 2007	Started and will be completed as per plan in December 2008
	2. Country Programme Evaluations	IFAD's approaches and operations in Meso-America	To start in November 2007	Dropped, in consultation with the Evaluation Committee, in September 2007
		Brazil	To be completed in December 2007	Completed
		Ethiopia	To start in March 2007	Started and will be completed in May 2008 as per plan
		Morocco	To be completed in July 2007	Completed
		Nigeria	To start in March 2007	Started in August, following entry on duty of the designated lead OE evaluator
		Pakistan	To start in January 2007	Started and will be completed in May 2008 as per plan
	3. Project Evaluation 3.1 Interim Evaluation 3.2 Completion Evaluations	Sudan	To start March 2007	Started in September 2007 and will be completed in October 2008, due to delays in the recruitment of lead OE evaluator
		Burkina Faso, Rural Development Project in the Eastern ORD	To be completed in October 2007	Completed
Philippines, Western Mindanao Community Initiatives Project		To be completed in November 2007	Completed	
Albania, Mountain Areas Development Programme		To be completed in November 2007	Will be completed in end December 2007, due to unforeseen departure of the lead OE evaluator	
	Belize, Community-initiated Agriculture and Resource Management Project	To be completed in July 2007	Completed	

<i>Priority area</i>	<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
		Pakistan, Dir Area Support Project	To be completed in October 2007	Completed
		Romania, Apuseni Development Project	To be completed in January 2007	Completed
Priority B: Specific evaluation work required by the Evaluation Policy and the terms of reference of the Evaluation Committee	4. Evaluation Committee and Executive Board sessions	Hold four regular Committee sessions and additional ad hoc sessions, according to the revised terms of reference and rules of procedure of the Evaluation Committee. Undertake annual field visit to Mali.	Four regular sessions in 2007	Four sessions organized and field visit undertaken to Mali in March 2007
		Review of the implementation of the work programme and budget 2007 and preparation of the work programme and budget 2008	To be completed by December 2007	Completed
		OE's comments on the President's report on the implementation status of evaluation recommendations and management action (PRISMA)	To be completed by July 2007	Completed
		Fifth Annual Report on Results and Impact of IFAD Operations (ARRI)	To be completed by December 2007	Completed
		OE's comments on the Portfolio Performance Review Report and Development Effectiveness Report	To be completed by December 2007	Completed
		OE's comments on the IFAD Innovation Strategy prepared by IFAD Management for consideration by the Evaluation Committee	To be completed by July 2007	Completed.
		Reports, Profiles, Insights, OE website, etc.	January-December 2007	Ongoing
Priority C: Evaluation outreach and partnerships	5. Communication activities 6. Partnerships	Evaluation Cooperation Group, the Swiss Agency for Development and Cooperation and UNEG, NONIE	January-December 2007	Ongoing
		Establishment of one, United Nations--wide independent evaluation body	January-December 2007	Completed
		Evaluation of the Implementation of the Paris Declaration on Aid Effectiveness, together with the United Nations Development Group	Activity not planned initially. To start in June 2007	To be completed in 2009
		Evaluation of the One UN Pilot Initiative, together with UNEG	Activity not planned initially. To start in September 2007.	To be completed in 2011

<i>Priority area</i>	<i>Type of work</i>	<i>Evaluation activities</i>	<i>Planned implementation status</i>	<i>Present status</i>
	7. Project development teams and operational strategy and policy guidance committee (OSC), as required	Two project development teams per evaluation officer per year Attend OSCs that discuss corporate policies and strategies, country strategic opportunities programmes (COSOPs), and in those cases where projects evaluated by OE are considered for a follow-up phase	January-December 2007	Ongoing
Priority D: Evaluation methodology development	8. Methodological work	Methodology quality assurance	January-December 2007	Ongoing
		Evaluation manual	To be completed in April 2007	Will be discussed with the Evaluation Committee in 2008, and completed thereafter.
		OE's contribution to enhancing IFAD's self-evaluation activities	January-December 2007	Ongoing
		Management of consultants	January-December 2007	Ongoing
		Peer reviews of all higher-plane evaluations and selected project evaluations	January-December 2007	Ongoing

OE 2008 budget proposal

Table 1
2008 OE Evaluation budget (US\$ 000)

	2006 Budget restated ^a	2007 Budget restated ^a	Increase / decrease in real terms ^b	Real budget in 2008 ^b	Mandatory increases		2008 Budget
					2% inflation ^c	12% staff cost ^d	
Evaluation Activities^e	2 684	2 991	-544	2 447	49		2 495
<i>of which EC</i>	77	81	22	103	2		105
<i>Field Visit</i>							
Staff Costs	2 221	2 835	-188	2 647		326	2 974
Total	4 905	5 826	-732	5 094	49	326	5 469
in % 2007	-	100%	-13%	87%	-	-	94%
in % 2006	-	-	[+4%]	104%	-	-	111%

a. As for the rest of IFAD, figures are restated during the year by IFAD Strategic Planning and Budget Division to take into account fluctuations of EUR / US\$ exchange rates

b. Figures in real terms are those calculated before the application of mandatory increases, on which OE has no control

c. As for the rest of IFAD

d. As conveyed by IFAD Strategic Planning and Budget Division based on International Civil Service Commission data

e. Evaluation Activities entail: (i) evaluation work, (ii) the Evaluation Committee's annual field visit and (iii) staff travel.

Table 2
Breakdown of proposed budget for 2008 according to the four OE priorities (thousands of United States dollars)

2008 Evaluation work by priority	2008
	Including staff costs
Priority A <i>Conducting of selected corporate-level, country programme, and project evaluations</i>	4 509
Priority B <i>Specific evaluation work required by the Evaluation Policy and terms of reference of the Evaluation Committee</i>	447
Priority C <i>Evaluation Outreach and Partnerships</i>	183
Priority D <i>Evaluation methodology development</i>	329
Total	5 469

Table 3
OE Human Resource Requirements in 2008
 (as compared with 2006 and 2007)

	<i>Human resource category</i>	<i>numbers in 2006</i>	<i>numbers in 2007</i>	<i>numbers in 2008</i>
Regular	Professional staff	8	9	9
	General Service staff	7.5	7.5	7.5 ²⁶
	Subtotal	15.5	16.5	16.5
Fixed Term²⁷	Professional staff	0.5	1.5	1
	General Service staff	2	2	1
Grand total		18	20	18.5

²⁶ This would include the conversion into an existing regular OE staff position of one General Service staff currently with a fixed term (one year) contract.

²⁷ Contracts of a maximum of one year duration.

OE Work programme for 2008

<i>Priority Area</i>	<i>Type of Work</i>	<i>Evaluation Activities</i>	<i>Start Date</i>	<i>Expected Finish</i>	
Priority A: Conducting of selected corporate-level, regional strategy, country programme, and project evaluations	1. Corporate-level evaluations	IFAD's Capacity to promote replicable innovations for rural poverty reduction	Nov-07	Dec-08	
		Joint evaluation with AfDB on Agricultural and Rural Development in Africa	Jan-07	Dec-08	
	2. Country programme evaluations	Argentina	Nov-08	Dec-09	
		Côte d'Ivoire	Nov-08	Dec-09	
		Ethiopia	Mar-07	May-08	
		India	Nov-08	Dec-09	
		Mozambique	Jun-08	Sep-09	
		Nigeria	Aug-07	Oct-08	
		Pakistan	Jan-07	Mar-08	
		Sudan	Nov-07	Dec-08	
		Guatemala Rural Development Programme for Las Verapaces	Mar-08	Oct-08	
		Democratic People's Republic of Korea, Upland Food Security Project	Mar-08	Oct-08	
	3. Project evaluations	3.1 Interim evaluations	Argentina, Rural Development Project for the North Eastern Provinces	Jan-08	Aug-08
			China, Wulin Mountains Minority Areas Development Project	Mar-08	Oct-08
		3.2 Completion evaluations	Cote d'Ivoire, Rural Development Project in the Zanzan Region	Jan-08	Aug-08
		Madagascar, Upper Mandrare Basin Development Project, Phase II	Mar-08	Oct-08	

Priority B: Specific evaluation work required by the Evaluation Policy and the terms of reference of the Evaluation Committee	8. Evaluation Committee	Field visit of the Evaluation Committee ²⁸	Jan-08	Dec-08	
		Review of the implementation of the work programme and budget 2008 and preparation of the work programme and budget 2009	Jan-08	Dec-08	
		Sixth Annual Report on the Results and Impact of IFAD's Operations	Jan-08	Dec-08	
		OE comments on the President's report on the implementation status of evaluation and management action (PRISMA)	Jun-08	Sep-08	
		OE comments on the Portfolio Performance Report	Sep-08	Dec-08	
		OE comments on the Development Effectiveness Report	Sep-08	Dec-08	
		OE comments on selected IFAD operations policies prepared by IFAD Management for consideration by the Evaluation Committee	Jan-08	Dec-08	
		Implementing of four regular sessions and additional ad hoc sessions of the Evaluation Committee	Jan-08	Dec-08	
		Reports, Profiles, Insights, OE website, etc	Jan-08	Dec-08	
		Priority C: Evaluation outreach and partnerships	7. Communication activities	UNEG, ECG, Swiss Agency for Development and Cooperation, and NONIE	Jan-08
10. Partnerships	Evaluation of the implementation of the Paris Declaration on Aid Effectiveness, together with the United Nations Development Group		Jun 07-	Dec-09	
	Evaluation of the One UN Pilot Initiative, together with UNEG		Sep 07	Dec-11	
Priority D: Evaluation methodology development	11. Project development teams and OSCs required		Two project development teams per evaluation officer per year. All OSCs that discuss corporate policies and strategies, COSOPs, and projects evaluated by OE being considered for a follow-up phase	Jan-08	Dec-08
			Proposal to enhance the oversight and effectiveness of OE	Jan-08	Dec-08
		Evaluation Manual, including methodologies and processes	Jan-08	Jun-08	
		Improvement of monitoring and evaluation systems in IFAD operations	Jan-08	Dec-08	
		Quality assurance and supervision of methodology application	Jan-08	Dec-08	
		Management of consultants	Jan-08	Dec-08	
		Peer reviews of all higher-plane evaluations and selected project evaluations	Jan-08	Dec-08	
Priority D: Evaluation methodology development	4. Methodological work				

²⁸ Specific date to be determined by the Evaluation Committee at its 50th session on 7 December.

