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Enabling poor rural people
to overcome poverty

Report of the Chairperson on the forty-ninth session of the Evaluation Committee

Executive Board — Ninety-second Session
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Luciano Lavizzari

Director, Office of Evaluation

tel.: +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

Report of the Chairperson on the forty-ninth session of the Evaluation Committee

1. This report covers the deliberations of the Evaluation Committee at its forty-ninth session on 10 October 2007. Three agenda items were discussed: (a) proposed work programme and budget of the Office of Evaluation (OE) for 2008; (b) Annual Report on the Results and Impact of IFAD Operations (ARRI); and (c) other business.
2. All Committee members (Belgium, Cameroon, Germany, India, Indonesia, Mexico, Nigeria and Sweden) except Switzerland took part in the session. In particular, the Chairperson welcomed Ms Martine Van Dooren of Belgium, who was participating in her first Evaluation Committee meeting. Observers were present from Brazil, Ethiopia, France, Guatemala, Mali, South Africa and the United Kingdom. The Committee was joined by the Assistant President of the Programme Management Department (PMD), Director of OE, Executive Director of the Action Plan, Secretary of IFAD and others.
3. **Work programme and budget for 2008 of OE.** The Committee discussed the OE work programme and budget document for 2008, and expressed overall support for the priorities, evaluation activities and proposed human and financial resource requirements of OE for 2008. The Committee appreciated the efforts made by OE to further reduce the proposed budget for 2008, as compared with the submissions made in September, in response to the request of both the Committee and the Executive Board. The Committee made a number of observations and suggestions for OE to consider in preparing the final 2008 proposed work programme and budget for the December Executive Board.
4. With regard to the work programme, the Committee underlined the importance of ensuring that the division's work programme take into account the main learning issues raised in the ARRI reports, which merit deeper analysis in future evaluations. For example, OE will devote special attention to the issue of country context and access to markets – two key issues raised in this year's report – in the individual evaluations to be undertaken in 2008. On a related issue, the Committee decided, in future, to discuss the ARRI report ahead of the OE work programme and budget, rather than consider them both at its October session, as has been standing practice up to now.
5. In response to the Committee's request to analyse IFAD's efforts in promoting smallholder agriculture in future evaluations, OE noted that this issue will be taken up in the context of the joint evaluation with the African Development Bank on agriculture in Africa, as well as in relevant forthcoming country programme evaluations – such as the one for India.
6. Related to the aforementioned joint evaluation, the Committee stressed that it should be kept updated at key stages of the evaluation as the process unfolds next year. In this regard, OE reassured the Committee that it would share pertinent information with the Committee in an appropriate manner by the end of this year.
7. With regard to the new evaluation manual being produced by OE containing enhanced methodologies and processes, it was considered important that the Committee discuss the manual before its finalization in 2008.
8. On another issue, the Committee suggested that OE explore the possibility of developing a three-year rolling work programme, outlining the latter's contribution to defining IFAD's strategic priorities and operational approaches. In this regard, OE agreed to develop a proposal in its 2009 work programme document.

9. The Committee discussed options for further strengthening the oversight entrusted to the Executive Board of IFAD's independent evaluation function and the effectiveness of the division (OE) in discharging that responsibility. The Committee agreed with OE's proposal to conceive the oversight function as an integrated system that consists of two mutually reinforcing components – periodic measures (such as exposing OE to an external peer review in the future) and continuous measures (such as making use of senior independent advisers and an internal quality assurance mechanism within OE consisting of systematic and well-structured internal peer reviews of all evaluations) – elements of which are already in place in IFAD. The Committee requested OE to prepare, in 2008, 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.
10. Based on the explanations provided by the country programme manager for Uganda, the Committee recommends that the Executive Board waive the need for OE to undertake an interim evaluation of the National Agricultural Advisory Services Programme, a multidonor initiative supported by IFAD. This waiver is required because, according to the IFAD Evaluation Policy, an interim evaluation is mandatory before the Fund can entertain the possibility of financing a follow-up of a previous operation. The waiver will enable Eastern and Southern Africa Division to finance a second phase of the programme, should this be considered opportune by the comprehensive evaluation being commissioned jointly by the donors involved.
11. On human resources and budget, the Committee asked OE to indicate the number of professional and general service staff in its final programme of work proposed to be submitted to the December Board. On staffing, the Committee noted the difference between the staff costs and the evaluation work budget sub-items, which is basically reserved for hiring consultants. In this regard, OE clarified that the relatively higher staff costs reflect the cumulative increases mandated by the International Civil Service Commission over the years. In addition, a growing amount of time is being devoted by OE staff during each evaluation to playing a more intensive and wider role in the quality assurance process and the feedback and learning loop, an aspect that cannot be outsourced to consultants. OE also underlined that through efficiency gains, it has been able to reduce its human resource requirement for 2008 by 1.5 staff units.
12. While appreciative of the reductions in the proposed 2008 budget, the Committee considered that the quality of evaluations, and the need to meet IFAD's evaluation requirements as well as the evaluation requests of the Executive Board to be important drivers in determining the level of OE's budget.
13. **Annual Report on the Results and Impact of IFAD Operations.** The Committee discussed the fifth ARRI report prepared by OE. In its presentation, OE outlined a number of areas where it would undertake further analysis before finalizing the report for the December Board. Therefore, the Committee decided to hold a further discussion on this year's ARRI, on an exceptional basis, at the fiftieth session of the Evaluation Committee in December, before the document is considered by the Board. The Committee raised a number of issues for OE to consider in preparing the final document.
14. In responding to the ARRI report, the Assistant President, PMD highlighted the importance of the document as an independent assessment of the results and impact of IFAD operations, which is reported directly to the Board, and complemented OE on providing benchmarking despite the difficulties that this task presents. It was noted that benchmarking performance of its operations across the various geographic regions is a common feature in the World Bank's Annual Review of Development Effectiveness. He also appreciated the in-depth analysis that OE has undertaken with regard to the themes of sustainability and innovation, which is helpful for Management.

15. The Committee was informed that Management is not in favour of the recommendation for IFAD to have a strategy on sustainability. It was also underlined that the ARRI is based on projects designed in the mid-1990s, which may not have the same key priorities of the institution as it stands today (e.g. environment, access to markets). These points will be addressed in the context of the development of the new evaluation manual, which the Committee will discuss in 2008.
16. The Committee found the ARRI to be a very clear and useful report and appreciated the introductory presentation, in which it was highlighted that a relatively small and non-random sample of projects are evaluated in a given year. As a result, the ARRI cautions against comparing the performance and results of IFAD operations for one year against another.
17. The Committee particularly appreciated the inclusion of specific sections on two learning themes – sustainability and innovation – which have emerged repeatedly in previous ARRIs as areas requiring attention by the Executive Board and Management in the drive to enhance the Fund's overall development effectiveness.
18. With regard to the implications of country context for IFAD operations, the Committee underlined the need to consider not only the national setting, but also the regional and project contexts in a given country. The Committee also requested OE to further elaborate on gender issues and the complementarities between IFAD operations and the activities financed under the Belgian Survival Fund in the final ARRI report.
19. Moreover, OE was asked to include information on the age of the projects evaluated for this year's report, in addition to more examples of innovations promoted by IFAD, with accompanying information on the origin of such innovations.
20. Committee members noted a cluster analysis of results from previous ARRIs, covering the period 2002-2006. The analysis is based on an accumulated sample of projects evaluated over a number of years, compared with results reported for one individual year (e.g. 2006), which might suggest possible trends. While the Committee welcomed this analysis, one member objected, taking the view that the analysis, by reviewing results from a specific year against previous years, was inconsistent with the spirit of the ARRI. He emphasized that a trend analysis would be better suited for comparison purposes than a cluster analysis, which could be grossly misleading. He also argued that a new way of presenting and analysing results and impact in future ARRIs should be subject to prior examination by the Committee.
21. On this issue (discussed in the paragraph above), OE replied that the consolidation of evaluation results from previous ARRIs covering a multi-year period has already featured in all but the first edition of the report, and is a practice followed by other international financial institutions (e.g. in the Annual Review of Development Effectiveness of the World Bank and the Annual Evaluation Review of the Asian Development Bank). Additionally, OE noted that during the production of this year's report, advice received from a professional development statistician revealed that the larger sample allows the ARRI to assess performance more reliably across various evaluation criteria because any potential distortionary effect registered in a performance assessment based only on the limited, non-random sample of projects evaluated in one year is likely to be minimized by taking a larger sample of data for the five-year (2002-2006) period. Furthermore, a larger sample provides a much more robust source of lessons learned and cross-cutting issues.

22. While recognizing the importance of dealing urgently with the matter of sustainability, some Committee members shared Management's view that it may not be necessary for IFAD to develop a fully fledged sustainability strategy. Rather, the Committee suggested that sustainability should be treated in an integrated manner within the country strategy and project cycle.
23. Two further issues were raised that will require reflection in the future. First, while appreciating that the ARRI is mostly about past and completed operations, the Committee stressed that it was important that the report focus adequately on the recent efforts and changes introduced under the Action Plan for Improving IFAD's Development Effectiveness. The Committee requested OE to bridge the gap between the past and the present, for example, by acknowledging more explicitly these recent initiatives and changes.
24. The Committee supported the proposal for OE to treat country context and one of the weaker areas of impact (e.g. access to markets) as key learning themes in next year's ARRI report. Moreover, the Committee was in favour of the idea that OE – together with PMD – launch an institution-wide effort to find ways and means to enhance monitoring and evaluation activities systematically at the project level. The Committee noted that these issues differ in complexity and nature, and therefore their treatment will require a varying degree of OE's efforts and resources.

