

Document:	<u>EB 2009/98/R.5</u>
Agenda:	<u>5(a)(ii)</u>
Date:	<u>15 December 2009</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

E



Report of the Chairperson on the sixtieth session of the Evaluation Committee

Executive Board — Ninety-eighth Session
Rome, 15-17 December 2009

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 point with any technical questions about this document:

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

Recommendation for approval

The Executive Board is invited to approve the recommendations contained in the report of the chairperson on the sixtieth session of the Evaluation Committee.

Report of the Chairperson on the sixtieth session of the Evaluation Committee

1. This report covers the deliberations of the Evaluation Committee during its sixtieth session on 1-2 December 2009. The six agenda items for discussion were: (a) the interim evaluation of the Qinling Mountain Area Poverty Alleviation Project in China; (b) the Report on IFAD's Development Effectiveness, together with the comments of the Office of Evaluation (OE); (c) the joint evaluation of the African Development Bank (AfDB) and IFAD on their agriculture and rural development policies and operations in Africa; (d) the provisional agenda of the Evaluation Committee for 2010; (e) the revised IFAD policy on grant financing, together with the comments of OE; and (f) other business.
2. Apart from India and Nigeria, all Committee members (Brazil, Canada, Egypt, Indonesia, Ireland, the Netherlands, Sweden) attended the session. Observers were present from China, Germany, Mexico, Spain, United Kingdom and the Bolivarian Republic of Venezuela. The Committee was joined by the Assistant President, Programme Management Department (PMD); the Director, OE; the Director of the Strategic Planning and Budget Division; the Secretary of IFAD; the Director of Asia and the Pacific Division, the Director of the Eastern and Southern Africa Division, the Acting Director of the Policy Division, and others. The Director of AfDB's Operations Evaluation Department (OPEV) and one senior independent adviser¹ of the joint evaluation also took part in the meeting.

A. Interim evaluation of the Qinling Mountain Area Poverty Alleviation Project in China

3. The Committee discussed the Qinling Mountain Area Poverty Alleviation Project and conveyed its appreciation to OE for the work done. It noted that the evaluation has been completed, inclusive of the agreement at completion point between the Government of China and IFAD's Programme Management Department.
4. The representative of the Government of China commended OE for an excellent evaluation, which has made an accurate assessment of the performance of the project. The evaluation was also considered useful in contributing to China's efforts to reduce rural poverty.
5. The Committee recognized that the project under consideration was a good example, with good performance and ownership by the Government, and commitment of the agencies involved in project execution.
6. Members underlined the advantages of having this evaluation before embarking on a second phase of the project, as this would contribute to greater sustainability and provide an opportunity to reach an even greater number of rural poor, especially those not covered in the first phase.
7. Another matter raised was the weak performance of the project-level monitoring and evaluation (M&E) system, and the need for IFAD and the Government to invest more effort in improving M&E systems, as they are critical for IFAD's independent and self-evaluation systems, as well as for the management of projects.
8. Committee members underlined the importance of IFAD strengthening partnerships with other development agencies, such as the Asian Development Bank (AsDB), in the future in China.
9. Members' attention was drawn to delays in loan effectiveness, which lead to greater administrative costs and therefore constitute an area that needs to be looked at in the future.

¹ Professor Robert Picciotto, former Director-General of the World Bank's Independent Evaluation Group.

10. The Committee also recognized that project performance appears to have improved following the establishment of an IFAD country presence in China. In this regard, Management noted that the hiring of Chinese national staff in the country presence office has also contributed to quicker turnaround times on administrative issues related to the country programme.
11. It was noted that some of the recommendations could have been taken one step further. For example, the agreement at completion point makes no reference to scaling up or knowledge management, which are critical for a wider impact on rural poverty. Management indicated that these issues, in addition to partnership opportunities with AsDB (see paragraph 8 above) and other matters, will be considered during the development of the new China country strategic opportunities programme.
12. The Committee noted that sustainability remains a challenge in the Qinling Mountain Area Poverty Alleviation Project. It was stressed that, among other measures, exit strategies need to be developed early on to ensure post-project sustainability of benefits. IFAD Management emphasized that a longer-term involvement of IFAD in the same project area can contribute to sustainability of benefits in the long term.

B. Report on IFAD's Development Effectiveness, together with the comments of the Office of Evaluation

13. The Committee discussed the Report on IFAD's Development Effectiveness (RIDE) and commended Management on the production of a very good document. It was noted that it is the last RIDE edition during the Seventh Replenishment period, and that IFAD has met – and in some areas surpassed – the targets set in terms of impact on poverty during this replenishment. The Committee also expressed its appreciation of the useful comments OE provided on the RIDE.
14. The Committee stated that the RIDE has been a constructive document for IFAD Management and the Fund's Member States, recognizing that it is likely to evolve in line with the Eighth Replenishment priorities and corresponding results framework. The Committee also noted that the RIDE is useful as an instrument for both learning and accountability.
15. The Committee noted a number of areas where further improvements can be made. Among other issues, the Committee emphasized the need for greater efforts in gender mainstreaming and women's development in all country strategies and IFAD-funded operations. On this issue, Management acknowledged that in many past projects gender issues were not adequately dealt with and that more attention is currently being devoted to the topic.
16. On another point, it was highlighted that less complex project designs, more intensive direct supervision and country presence contribute to better results on the ground.
17. Members recognized the congruence between the results reported by the Annual Report on Results and Impact of IFAD Operations (ARRI) and the RIDE, which illustrates the improving quality of IFAD's overall evaluation function.
18. The Committee noted a decrease in the training budget for 2010 and the staff recruitment index. Management provided clarifications on both these issues. On the training budget, it was noted that the decrease refers to the training budget allocated to the human resources division for corporate training courses. However, training is also organized by PMD, for example, to upgrade staff skills in operational areas such as supervision and procurement. Moreover, IFAD endeavours to conduct shared training courses with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP).

19. Members underscored the importance of IFAD's human resources reform and the need for greater efforts to meet the targets in this area. Management recognized the unsatisfactory status of the human resources reform and noted that discussions are ongoing with the Executive Board on how to improve IFAD's overall human resource management and processes.
20. It was noted that in the future the Committee would like also to discuss evaluations of projects whose performance is highly problematic, as often useful lessons can be learned from such operations.
21. Finally, in terms of project execution, the Committee highlighted the need for project management and other partners to focus on development results, rather than on financial and disbursement targets.

C. Joint Evaluation of the Agriculture and Rural Development Policies and Operations in Africa of the African Development Bank and IFAD

22. The Committee welcomed the final joint evaluation report on the IFAD-African Development Bank (AfDB) joint evaluation of the two organizations' policies and operations in agriculture and rural development in Africa. The Committee also considered the joint management response and the report of the senior independent advisers.
23. While recognizing the highly joint nature of the evaluation, the Committee requested more information on the process, timelines and consultant management to account for the extra year and costs that it took to complete this extensive evaluation. OE and OPEV provided clarification and further information on these issues. In particular, it was noted that part of the explanation lies in the fact that the scope of the evaluation was broadened during its implementation to include a perception survey among partners in Africa and a quality-at-entry review to assess the extent to which IFAD and the Bank are including lessons learned from the past in current strategies and operations.
24. The Committee recognized there is a policy gap in agriculture and rural development in many countries in Africa. However, the Committee stressed that the efforts of IFAD and the AfDB need to be commensurate with the current and expected level of resources available to both organizations. Such efforts would therefore need to be complemented by those of partner organizations that have the appropriate capacity and resources, together with a track record of engagement in policy issues in Africa.
25. On partnership between AfDB and IFAD, and with other major players in Africa and elsewhere, the Committee underlined the importance of ensuring value added based on the comparative advantages of the partners involved.
26. The Committee emphasized that future partnership between IFAD and AfDB should clearly distinguish the areas on which IFAD and AfDB would concentrate, based on their comparative advantages. Moreover, the two organizations should explore opportunities to establish partnerships with other players focusing on agriculture and rural development on the continent.
27. The Committee noted the centrality of smallholder farmers, and especially women, who play a critical role in promoting sustainable development in Africa. This should be a particular focus for IFAD's future engagement on the continent, in light of its mandate and comparative advantage.
28. It was underlined that agriculture policies in many Organisation for Economic Co-operation and Development countries work as a disincentive for producers in Africa. However, the Committee also emphasized that African countries need to reflect on their own trade policies, which often do not encourage intraregional trade. The Committee expressed uncertainty about whether IFAD has the capacity to become

involved in trade policy capacity-building and about its relative influence on global trade policies.

29. The Committee sought further information on why projects designed in the 1990s were reviewed in the joint evaluation. OE and OPEV provided due clarification on this issue. In particular, they indicated that this allowed the evaluators to use existing evaluative evidence to assess the performance and impact of projects the two organizations had financed in the past. They also noted that even though these projects considered by the evaluation were designed in the 1990s, they had been disbursing funds until quite recently and thus were of importance from both an accountability and a learning perspective. Moreover, on the whole, these projects reflect the status of the majority of the current portfolio as well.
30. It was observed that the joint evaluation is timely and raises issues that are consistent with what has emerged from other similar recent reports and studies. Therefore, the challenge is to identify and map out the way forward for IFAD and AfDB, who bring complementary experiences and expertise that can be valuable in addressing the emerging challenges to agriculture and rural development in Africa.
31. The Committee underlined the importance of both organizations endeavouring to communicate and disseminate the lessons learned from the evaluation, not only internally within the two organizations but also to partners in Africa.

D. Provisional agenda of the Evaluation Committee for 2010

32. The Committee discussed the proposed provisional agenda of the Evaluation Committee for 2010, as contained in document EC 2009/60/W.P.7, and conveyed its appreciation to OE for the work done.
33. Members noted the guiding principles employed in the development of the provisional agenda, namely: (i) the need to discuss evaluation items as required by the Terms of Reference and Rules of Procedure of the Evaluation Committee, and by the Evaluation Policy; and (ii) the importance of discussing all corporate-level evaluations and maintaining a regional balance of country programme and project evaluations.
34. The Committee also noted that the agenda it recommends for approval by the Executive Board is provisional and will be amended as necessary in the course of the year.
35. Following some discussion, the Committee proposed organizing the 2010 annual field visit to Mozambique from 24 to 28 May 2010. The Committee also proposed holding its sixty-fourth session on 8 October 2010.
36. The Committee then requested that at its first session in 2010 scheduled for 29 January, OE present the list of evaluations currently in progress with expected finalization dates and those completed in the recent past. This would then permit the Committee to refine the provisional agenda for 2010 as needed.
37. In relation to the annual country visit to Mozambique, the Committee requested that the following sentence be deleted from document EC 2009/60/W.P.7 on the 2010 provisional agenda: "As decided by the Ninety-seventh Session of the Executive Board September 2009".

E. IFAD policy for grant financing (revised), together with the comments of the Office of Evaluation

38. The Committee discussed the revised IFAD Policy for Grant Financing together with OE's comments. It conveyed its appreciation to Management for the preparation of the policy and OE for its comments.
39. The Committee noted and concurred with the proposals made in the proposed policy to: (i) increase the authority delegated to the President of IFAD to approve

grants of up to US\$500,000, rather than US\$200,000, as in the past; and (ii) allow the provision of grant financing to the private sector.

40. Several Committee members drew attention to the need, as outlined in the policy, for the supervision of grants and full accountability in terms of results. Management agreed with this, noting that some supervision of grants has already taken place. However, resources will need to be allocated for the supervision of grants as well. Management indicated that for each new grant a supervision strategy will be developed. Management is also ensuring a more proactive grants portfolio management, which has recently resulted in the closing of around 100 out of 385 ongoing grants that have not been performing well.
41. The Committee requested that guidelines and procedures be prepared specifically for private-sector grants. At the request of the Committee, Management clarified that grants would be made to take advantage of effective private-sector implementation partners and not simply to provide grant financing to private-sector entities.
42. The Committee discussed, at some length, the percentage of grants provided by IFAD as a ratio of its annual programme of work, which remains unchanged. In this regard, Management suggested that allocation could be an issue to be reconsidered following the planned evaluation by OE of the grants policy (see paragraph 44 below).
43. At the Committee's request, Management clarified that all grants involving private-sector entities will be presented directly to the Executive Board for approval. The grant policy document will need to be amended accordingly.
44. The policy suggests that OE evaluate the grants policy five years after its approval by the Board. The Committee underlined that it would be useful to conduct the evaluation earlier (e.g. after three years), focusing mainly on the implementation of the policy (i.e. a process evaluation).

F. Other business

45. The Committee considered four items under other business: (i) the revised minutes of the fifty-eighth session of the Committee; (ii) evaluation capacity development in partner countries; (iii) an update on the status of the OE peer review process; and (iv) the written text of the summing up statements made by the Chairperson at the end of each agenda item discussed during the sixtieth session.
46. On item (i) in paragraph 45 above, the Committee adopted the revised minutes of the fifty-eighth session, including the changes made to document EC 2009/60/W.P.6. On point (ii), the Committee decided to consider the document circulated by OE on its proposed involvement in evaluation capacity development during its sixty-first session in January 2010. Under item (iii), OE briefed the Committee on the ongoing peer review process and noted that the draft peer review report should be made available to the Committee for review on 10 January 2010. On the same item, OE also informed the Committee that the peer review chair will not participate in the annual country visit of the Evaluation Committee to India, but will hold discussions by telephone and/or video conference with key partners in India in the week of 14 December. Finally, with regard to item (iv), the summing up statement at the end of each agenda item was shared in written format with all members and their feedback solicited. The finalized summing up statements have been used as a basis for this report.