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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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WORK PROGRAMME AND RESOURCE ISSUES FOR 2005
OF THE
OFFICE OF EVALUATION

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ABBREVIATIONS AND ACRONYMS

APO	Associate Professional Officer
ARRI	Annual Report on the Results and Impact of IFAD Operations
CLE	Corporate-Level Evaluation
IEE	Independent External Evaluation
OE	Office of Evaluation

I. BACKGROUND

1. **Background.** This is the second work programme prepared by the Office of Evaluation (OE) following the approval of the IFAD Evaluation Policy by the Executive Board in April 2003. In approving the said policy, the Executive Board decided that OE would formulate its annual work programme and budget independently of Management and submit it to the Board and Governing Council for approval. As per the Board's decision and consistent with the approach taken last year, the OE work programme and budget for 2005 is presented together with IFAD's annual work programme and budget, but as a separate submission. Therefore, Part II of the present document is exclusively devoted to the preview of the OE work programme and budget for next year.

2. As per the decision of the Executive Board in April 2004, the OE work programme and budget will be considered by the Audit Committee in November 2004 together with IFAD's programme of work and budget. In the meantime, this preview was discussed with the Evaluation Committee during its Thirty-Seventh Session on 3 September. The chairman of the Committee has provided his report to the Board summarizing the Committee's deliberations and its recommendations on the document. Following the discussion in the Board today and based on the guidance and comments provided by Board members, as per the practice in the past years, OE will prepare its comprehensive work programme and budget for discussion with the Evaluation Committee during its next session on 15 October 2004.

3. **Achievements in 2004.** OE had three main priorities in 2004: (i) evaluation work requested by the Executive Board and Evaluation Committee and/or included in the Report of the Consultation on the Sixth Replenishment of IFAD's Resources; (ii) conduct of selected corporate-level evaluations (CLEs) and country programme, thematic and project evaluations; and (iii) further development of the evaluation methodology.

4. Overall, at this point in time, OE has been able to accomplish the main priorities and implement almost all activities planned for the year. The specific achievements against the priority areas are listed in Annex I. These achievements were reached despite the transfer of one evaluation officer and the OE deputy director to other IFAD divisions in April and September respectively. Although the recruitment procedure for their replacements is well advanced, the new recruits are likely to join OE only in late 2004 or early 2005, thus creating an important gap in OE human resources in 2004. This gap has caused a delay in the implementation of a few OE activities, namely the CLE on the direct supervision pilot programme and the development of a thorough briefing package for OE consultants in the division's evaluation methodologies.

5. **Priorities for 2005.** In addition to the aforementioned, in developing its priorities for 2005 OE took into consideration IFAD's strategic guidelines for the preparation of the 2005 unit work programmes and the core objectives of the *Strategic Framework for IFAD for 2002-2006*. Moreover, OE recognizes that 2005 will be an important year for IFAD in light of the Consultations on the Seventh Replenishment of IFAD's Resources. In this process, the division will need to be ready to respond to the eventual requirements of IFAD Member States on evaluation-related issues.

6. Following the above considerations, OE developed priorities for 2005 that, on the one hand, satisfy the requirements of the evaluation policy and, on the other hand, are aligned with the key institutional priorities for 2005 (see following box). The key processes and policy issues agreed in the framework of the Sixth Replenishment will continue to be of high priority for IFAD.¹

¹ As stated in the strategic guidelines of IFAD management dated 27 April 2004.

II. OE PRIORITY ACTIVITIES IN RELATION TO IFAD'S INSTITUTIONAL PRIORITIES FOR 2005

Institutional Priorities for 2005 ²	OE Priority Activities for 2005
1. Independent External Evaluation of IFAD Operations (IEE)	Overall supervision of the IEE
2. Independent Evaluation Function	<p>2.1 Full implementation of the Evaluation Policy</p> <p>2.2 Development of the 2006 OE work programme and budget</p> <p>2.3 OE Review of the Report of the President on the Status of Implementation of Evaluation Recommendations</p>
3. Measuring results and impact	<p>3.1 Independent evaluation of selected IFAD operations and policies</p> <p>3.2 Consistent use of methodological framework for project and country programme evaluations that allows for the assessment of results and impact</p> <p>3.3 Production of the third Annual Report on the Results and Impact of IFAD Operations (ARRI)</p>
4. IFAD's catalytic role	Undertaking the evaluation of regional strategies and of selected country programme and thematic evaluations

7. Evaluation activities will be included in the OE work programme based on the selection criteria agreed with the Board in December 2003. In line with these criteria and in order to ensure maximum value for the institution and its partners from independent evaluation work, OE will make certain that, to the extent possible, evaluation activities feed into the corresponding planning processes within IFAD. For instance, the division will evaluate those regional or country strategies where there is an intention to prepare a new strategy or further develop existing strategies following the completion of the corresponding OE evaluation. Another example is the undertaking of interim project evaluations before the initiation of the formulation of a further phase of an IFAD-financed project.

8. For 2005, therefore, OE has identified **four main priority areas**. These are:

- (i) supervision of the IEE;
- (ii) conduct of selected corporate-level, regional strategy, country programme, thematic and project evaluations;
- (iii) specific evaluation work required by the Evaluation Policy for presentation to the Executive Board and the Evaluation Committee; and
- (iv) methodological development, evaluation outreach and other activities.

9. Under priority area (i), OE will continue and complete the supervision of the independent external evaluation exercise on behalf of, and accountable to, IFAD's Executive Board. This evaluation is expected to be discussed with the Executive Board in April 2005. Thereafter, OE will ensure an appropriate dissemination of the final evaluation report.

² As contained in the strategic guidelines of 27 April and in the report of the Consultation on the Sixth Replenishment of IFAD's Resources.

10. Under priority area (ii), OE will finalize the CLE on the direct supervision pilot programme, which will be discussed in the Evaluation Committee during 2005. In addition, OE will commence another CLE³ in the second half of the year. There are several important themes⁴ emerging from the second ARRI and various evaluations that could be chosen as the topic for next year's CLE. However, it is proposed to wait until the first draft report of the IEE is available in October. The IEE is likely to outline some key areas that may require additional analysis in the near future and would merit inclusion in the 2005 OE work programme.

11. In addition to the above, the division will undertake for the first time the evaluation of two IFAD regional strategies. OE attributes significant importance to this new type of evaluation, which will contribute to assessing the relevance, effectiveness and impact of the current regional strategy and lay the ground for its further development. Regional strategies are important because they provide the overall framework for the IFAD country strategies in a given region and for lending and non-lending activities in the various countries of the region. Moreover, such evaluations will review the coherence of the thrusts and priorities of the regional strategies in relation to the IFAD strategic framework and the emerging rural poverty concerns in the region. Specifically, the plan is to evaluate the regional strategies of the Asia and Pacific Division and of the Near East and North Africa Division. Moreover, OE will work on about three country programme evaluations, one or two thematic evaluations⁵ and 14 project evaluations. The exact figures will be determined based on a review of the actual progress in the implementation of the 2004 OE work programme that will be undertaken in the second part of 2004 and other considerations that may arise at the time.

12. In priority area (iii), the division will prepare the third ARRI, which is a requirement of the evaluation policy. The report aims at consolidating and synthesizing the results and impact of IFAD operations based on evaluations undertaken in 2004, and identifying cross-cutting issues and lessons learned of wider interest related to IFAD operations. As per the practice since 2003, this report will be discussed both with the Evaluation Committee and the Executive Board during their respective sessions in September 2005. The third such report will build on its previous two editions and on the comments and guidance received from Committee and Board members.

13. In accordance with the evaluation policy, OE will prepare for Board presentation a paper on the second Report of the President on the Status of Implementation of Evaluation Recommendations. The OE report will be discussed together with the second President's Report with both the Evaluation Committee and the Executive Board at their respective sessions in 2005.

14. In December 2003, a President's Bulletin was issued outlining a number of internal implementation and organizational arrangements to ensure a smooth implementation of the evaluation policy. This bulletin was shared with the Executive Board for information this year. In 2005, the division will continue to monitor the implementation of such arrangements and, if required, propose any adjustments needed to further facilitate and improve the overall implementation of the evaluation policy.

³ As agreed with the Board, in light of the complexity of such evaluations and the corresponding resource requirements, OE can only undertake one CLE at any given time during the year.

⁴ For example, the determinants of sustainability of IFAD operations; partnership and cofinancing; policy dialogue; rural finance policy; IFAD's approach in poorly performing/middle income countries, and others; in addition to the gender policy evaluation planned in 2005.

⁵ This is less than in previous years, as in 2005 OE plans to undertake the overall evaluation of two IFAD regional strategies. Thematic evaluations, on the other hand, normally only focus on assessing one key area of a particular regional strategy.

15. Next year will mark the first year of implementation of the revised terms of reference and rules of procedure of the Evaluation Committee.⁶ Up to five sessions⁷ of the Evaluation Committee will be held and any other additional special sessions that may be required during the year, and a field visit for the Evaluation Committee will also be organized.

16. In priority area (iv), enhanced oversight will be exercised in the application and proper use of the OE evaluation methodologies to ensure comparable quality evaluation results and outputs. This will in turn also lead to further improvements in the evaluation information base available for the preparation of the ARRI. Staff skills will be upgraded in the required areas to allow for an even better application of the division's core methodologies. The comprehensive briefing package for consultants in the OE evaluation methodologies will be developed and implemented next year. As in the past, resources will be reserved for the communication and dissemination of evaluation results.

17. **Other activities.** OE will also participate in the deliberations of the United Nations Evaluation Group and seek access to the Evaluation Cooperation Group of the Multilateral Development Banks.

18. **Human resource requirements.** In 2005, OE will require the same staff levels as this year. This includes a director, deputy director, six evaluation officers and 7.5 general service staff. Table 4 in Annex II contains a summary of OE human resource requirements for 2005.

19. **Financial resource issues.** It is foreseen that the above-outlined priorities and work programme should not entail an increase in real terms in the OE budget and human resources from the level approved by the Governing Council in February 2004. The final 2005 budget, which OE will present to the Board in December 2004, will, as for the rest of IFAD, take into consideration the restatement of the approved budget as a result of inflation and the depreciation of the United States dollar against the euro, and it will also include adjustments to staff costs resulting from changes in staff entitlements or salary increases dictated by the United Nations Common System. In addition, as for the rest of IFAD, the OE budget proposal has been shown on both an expenditure and an activity basis (see Tables 1 and 2 in Annex II). Table 3 in Annex II provides an overview of the IEE funds, which are administered by OE.

20. The rationale outlined in the 2004 budget submission for including a contingency in the OE budget continues to remain pertinent in 2005, in particular because the OE budget is separate from the IFAD budget. Consequently, OE will not be able to request additional resources during the year from IFAD's administrative budget to meet unforeseen costs that might arise. Moreover, since 2005 will only be the second year of the implementation of the new evaluation policy, some unanticipated costs may emerge as a result of its full implementation that will only be known once the activities are actually implemented. Therefore, as in 2004, the OE budget will include a contingency to meet unforeseen costs that may arise.

21. However, in 2005, the contingency has been reduced to 2.5% of the rest of the OE budget as compared with 5% in 2004. The reason for this reduction is that various expenditures charged to the 2004 contingency have been internalized into the regular budget, especially those related to staff reclassification and promotions that took place in 2004. It is important to retain a contingency for unforeseen costs next year related to the work of Evaluation Committee, which at this stage cannot be precisely quantified. That is, in 2005 the Committee is expected to operate within the framework of its revised terms of reference and rules of procedure that will be considered by the Board in December 2004 for approval. The implementation of the revised terms of reference and rules of procedure will

⁶ The Evaluation Committee will be submitting its revised terms of reference and rules of procedure for the Executive Board's approval during the latter's December 2004 session.

⁷ This will be precisely determined in December 2004 when the Board approves the Committee's revised terms of reference and rules of procedure.

lead to changes to the overall functioning of the Committee, in particular with regard to the number of its sessions and their length. These changes are likely to have cost implications that cannot be entirely absorbed by the Office of the Secretary of IFAD in light of the zero real growth directive on the IFAD administrative budget. The contingency will also cover the costs related to any unforeseen changes in staff entitlement or salary increases dictated by the United Nations Common System. The Director of OE will report separately to the Executive Board on the utilization of the contingency amount, providing a summary of activities financed.

22. In sum, the level of the OE budget for 2005 is expected to remain within the 2004 level. Therefore, the total budget proposal will be around USD 4 491 425. The exact figure will be determined at the time of the submission of the OE 2005 work programme and budget to the Board in December 2004 based on the considerations in paragraphs 11 and 19.

ACHIEVEMENT IN 2004 AGAINST STATED OE PRIORITIES AND PLANNED ACTIVITIES

OE Priority 2004	Achievements ⁸
<p>1. Evaluation work requested by the Executive Board and Evaluation Committee and/or included in the Report of the Consultation on the Sixth Replenishment of IFAD's Resources</p>	<p>1.1 Supervised the Independent External Evaluation (IEE) of IFAD, including, inter alia, commenting on the four deliverables provided by the IEE service provider: (i) inception report; (ii) desk review report; (iii) ten country working papers and report on the preliminary findings, issues and main themes; and (iv) first draft report. Furthermore, presentation to the Board of three progress reports on the status of the IEE, and field visits to Bangladesh, Bolivia and the United Republic of Tanzania to monitor the work of the evaluation team at the country level</p> <p>1.2 Facilitated the preparation of the revised terms of reference and rules of procedure of the Evaluation Committee, as well as the organization of five sessions of the Committee and presentation to the Executive Board of various OE documents and reports</p> <p>1.3 Organized the field visit to Indonesia for the Committee and other Executive Board members in March</p> <p>1.4 Prepared the 2005 OE work programme and budget</p> <p>1.5 Prepared the second ARRI and presented it to the Evaluation Committee and Executive Board together with a proposal on assigning weights to the various evaluation criteria</p> <p>1.6 Reviewed, and provided comments on, the Report of the President on the Status of Implementation of Evaluation Recommendations</p>
<p>2. Conduct of selected corporate-level, country programme, thematic and project evaluations</p>	<p>2.1 Initiated the corporate-level evaluation on the direct supervision pilot programme</p> <p>2.2 Completed the Benin, Bolivia, Egypt and Indonesia country programme evaluations</p> <p>2.3 Worked on the thematic evaluations on decentralization in Eastern and Southern Africa and organic agriculture in Asia; completed the thematic evaluation on marketing and competitiveness; held a regional workshop on extension in Western and Central Africa</p> <p>2.4 Completed project evaluations in Eritrea, Jordan, Laos, Lebanon, Paraguay, Senegal, Tunisia and Viet Nam (2)</p> <p>2.5 Initiated project evaluations in Ethiopia and The Gambia</p> <p>2.6 Four other projects evaluations, in Ghana⁹, India, Uganda and Venezuela, were started in the last quarter of 2004</p>
<p>3. Further development of the evaluation methodology</p>	<p>3.1 Piloted country programme evaluation methodology in Benin, Bolivia and Egypt</p> <p>3.2 Undertook the customization of the monitoring and evaluation guide in both the Eastern and Southern Africa and in the Near East and North Africa regions</p> <p>3.3 Rigorously applied methodological framework for project evaluation in all evaluations</p>

⁸ Various other activities were also undertaken, including: tasks in relation to the communication and dissemination of evaluation results (such as the enhancement of the evaluation section on the IFAD website to bring it in line with the evaluation policy); participation in the annual meeting of the United Nations Evaluation Group; and participation in selected project development teams, technical review committee and operational strategy committee meetings as well as in other in-house working groups (such as the working groups on RIMS, the field presence and the policy forum).

⁹ This has been included in the place of the Guinea project evaluation contained in the 2004 work programme. The latter project evaluation has been deferred to 2005 in light of the suspension of IFAD activities in Guinea due to arrears. Consequently, the planned second phase of the relevant Guinea project will only be initiated after the recommencement of IFAD operations in the country and the finalization of the planned interim project evaluation.

TABLE 1 - OE 2005 BUDGET SHOWN AS EXPENDITURE BASIS

	2004 ¹⁰ (USD)	2005 ¹¹ (USD)
STAFF COSTS (Estimated June 2004)	1 780 000	2 075 875¹²
Regular and fixed term	1 516 000	1 833 116
Temporary staff	251 000	229 473
Overtime	13 000	13 286
EVALUATION WORK	1 955 000	1 994 200
Corporate-level evaluations and other activities	457 000	436 000
Regional strategy evaluations ¹³	-	220 000
Country programme evaluations	377 000	580 000
Thematic evaluations	224 000	40 000
Project evaluations	897 000	718 200
EVALUATION COMMITTEE	60 000	61 320
STAFF TRAVEL	245 000	250 390
CONTINGENCY	202 000¹⁴	109 640¹⁵
GRAND TOTAL	4 242 000	4 491 425

¹⁰ As approved by the Governing Council in February 2004.

¹¹ As for the rest of IFAD, OE has applied an inflation rate of 2.2% in relation to the 2004 approved budget.

¹² Increase in staff cost estimates are due to the reclassification and promotions in 2004 and the increases in salaries and benefits dictated by the United Nations Common System and not to increases in staff numbers.

¹³ There was no allocation in 2004 or earlier as OE will undertake such an evaluation for the first time in 2005.

¹⁴ Contingency for 2004 = 5%

¹⁵ Contingency for 2005 = 2.5%

TABLE 2 – OE 2005 BUDGET SHOWN ACCORDING TO ACTIVITY BASIS

OE Priorities 2004	(USD)	(%)	OE Priorities 2005	(USD)	(%)
A. Evaluation work requested by the Evaluation Committee and Executive Board and/or included in the Report of the Consultation on the Sixth Replenishment of IFAD's Resources	688 000	(16)	(i) Supervision of the IEE	41 517	1
B. Conduct corporate-level, country programme, thematic and project evaluations	3 088 000	(73)	(ii) Conduct of selected corporate-level, regional strategy, country programme, thematic and project evaluations	3 165 115	70
C. Further development of the evaluation methodology	466 000	(11)	(iii) Specific evaluation work required by the Evaluation Policy for presentation to the Executive Board and the Evaluation Committee	913 723	21
			(iv) Methodological development, evaluation outreach and other activities	371 070	8
	4 242 000	(100)	Total	4 491 425	100

TABLE 3: IEE BUDGET¹⁶

Committed¹⁷: USD ('000)	
Subcomponents	
A. Total cost of the evaluation team	1 248
B. Total cost for OE advisers and consultants	211
C. Total costs of Steering Committee	13
TOTAL	1 472¹⁸

¹⁶ See EB 2003/79/R.7 for further budget details.

¹⁷ Against a budget approved by the Executive Board of USD 1.7 million. A total of USD 815 690 has been received towards this amount as voluntary contributions to the IEE from various donors. These include: Belgium USD 87 690, Canada USD 228 000, Denmark USD 300 000, Norway USD 50 000, Sweden USD 100 000 and Switzerland USD 50 000. The United Kingdom contributed GBP 50 000 to cover the costs for drafting the preliminary terms of reference of the IEE in 2003.

¹⁸ Includes commitments till mid-September 2004.

TABLE 4: OE HUMAN RESOURCE REQUIREMENTS FOR 2005

Human Resource Category		Numbers
Regular	Professional Staff ¹⁹	
	Director	1
	Deputy Director	1
	Evaluation Officers	5
	Evaluation/Information Officer	1
	General Staff	
	Administrative Assistant	1
	Evaluation Assistants	6
	Geographic Information Assistant	1 (part time)
Temporary (Chapter X)	Professional Staff	
	Evaluation Officer	1
	General Staff	
	Evaluation Assistants	2

¹⁹ Currently, OE has three associate professional officers (APOs) funded by various donor countries. In 2005, the division has the assurance of the services for 12 months of only one of these APOs. The contracts of two APOs will expire in November 2004 and February 2005, respectively. Procedures have been initiated to replace the two concerned APOs, although this will depend on the availability of donor funding and the identification of suitable APO candidates for OE within the required time frames.

