

Forty-Fourth Session of the Evaluation Committee

9 October 2006

1. The Forty-Fourth session of the Evaluation Committee was held on 8 September 2006, with India beginning the session as the Chair. All Committee members took part in the deliberations. Observers were present from China, France, Pakistan, and the United Kingdom. Various IFAD staff were present, including the Assistant President of the Programme Management Department (PMD), the Directors of the Office of Evaluation (OE) and the Asia and Pacific Division (PI), the Executive Director responsible for the implementation of the Action Plan, and others.

2. Opening of the Session and Adoption of the Agenda. There were five agenda items for discussion: (a) Election of the Chairperson of the Evaluation Committee; (b) Preview of OE's Work Programme and Resource Issues for 2007; (c) Evaluation of IFAD's Regional Strategy in Asia and the Pacific; (d) Review of the President's Report on the Implementation Status of Evaluation Recommendations and Management Action together with the comments of OE; and (e) Evaluation of the Action Plan for Enhancing IFAD's Development Effectiveness.

3. Election of the Committee chairperson. The Committee elected Mexico as its chair starting from September 2006 till August 2007. It was also decided that Indonesia would take over from Mexico in September 2007 as chair of the Committee till the end of the tenure of the present Committee¹. One Committee member noted that sub-list CI (Africa) has never chaired the Evaluation Committee' since its establishment in 1988. Finally, the Committee expressed a deep sense of gratitude to Mr Ramalingam Parasuram, the outgoing chairperson from India, for his good work as Committee chairperson after taking over from Mr Govindan Nair (India) since the beginning of 2006.

4. Preview of the 2007 OE work programme and resource issues. The Committee took note of the important increase in the proposed OE work programme and budget for 2007 and was reassured that 2007 is an extra-ordinary year and that the level of work programme and budget is expected to decrease in 2008 as compared to next year's proposal.

5. The larger work programme and estimated budget in 2007 is driven by four key factors: (a) the larger number of higher plane evaluations in its proposed work programme, such as the large number of country programme evaluations and the joint evaluation with the African Development Bank (AfDB) on agriculture and rural development in Africa, which require a greater level of effort and resources; (b) the request for two additional evaluation officer posts (one of a regular and another of a temporary nature) in OE, resulting from a work load assessment of OE conducted by an independent consultant in co-operation with the Human Resources Division; (c) the increase in the salaries of OE General Service staff dictated by the International Civil Service Commission; and (d) as for the rest of IFAD, the overall price increase in both staff and non-staff cost budget categories.

¹ As per the Rules of Procedure of the Evaluation Committee (with specific reference to Rule 5), the Committee is required to elect its chairperson from List B and C members.

6. In presenting its proposed 2007 work programme and resource issues, OE underlined the structural change in the main components of its work programme, which essentially entails greater emphasis on higher-plane evaluations, such as country programme and corporate-level evaluations. This type of evaluations are far more complex and resource-intensive to undertake as compared to project evaluations. The emphasis on higher plane evaluations, which is consistent with the trend in other United Nations organisations and International Financial Institutions, has been witnessed already in the past few years and is caused by a number of reasons, including the decision by the Executive Board for OE to undertake evaluations of a number of key corporate policies, strategies and processes, as well as an increase in the conduct of country programme evaluations. In spite of the importance and emphasis on higher plane evaluations, however, the Committee was reassured that OE will continue to conduct a critical mass of project evaluations in the future.

7. The shift towards higher-plane evaluations has important consequences on OE human and financial resources, which in the past could be accommodated through key efficiency gains within OE that were obtained through the enhancement in evaluation methodologies, mainstreaming of communication processes within individual evaluation activities, but also due to increased efforts and work toad by OE staff. However, the proposed increase in the overall size and evolving nature of the 2007 OE work programme has significantly surpassed the efficiency gains that the division has been able to achieve.

8. In addition to the above, the Committee appreciated the section in the document related to 'Taking Stock' and asked for further elaboration on the issues contained therein. The participants also found interesting the internal and external peer reviews organised by OE for higher plane and selected project evaluations, as a means to enhancing the overall quality of evaluation outcomes. Likewise, the preparation of "audit trails" were considered a useful feature, as they serve to enhance communication and transparency in the way OE treats the comments provided by key partners on major deliverables produced during evaluation.

9. The Committee noted the quite sizeable increase in both the proposed work programme and budget. In principle, however, the Committee expressed its overall concurrence with the priorities, work programme and resource issues proposed by OE for 2007. It was also satisfied that the estimated increase in the proposed 2007 budget, though sizeable, is entirely caused by the larger size and complexity of the proposed work programme. Moreover, the Committee agreed that all specific evaluation activities that OE plans to undertake in 2007 are important and need to be undertaken.

10. The Committee also conveyed its support, in principle, for the joint evaluation with the AfDB. However, given the importance and complexity of this exercise, it requested the division, on the basis of the joint approach paper which is currently being prepared, to provide additional details on the proposed joint evaluation for discussion at its forty-fifth session in October, within the framework of the discussion on the proposal of the OE work programme and budget for 2007.

11. In addition, while finalising its 2007 work programme and budget, the Committee requested OE to explore ways and means to defer the commencement of some evaluations that could reduce the work programme and budget level proposed for 2007.

12. Evaluation of IFAD's Regional Strategy in Asia and the Pacific. The Evaluation Committee then discussed the Evaluation of IFAD's strategy in Asia and the Pacific (EVEREST), the first such evaluation of one of IFAD's five regional strategies, together with its Agreement at Completion Point. The latter captures IFAD Management's concurrence with the EVEREST's main findings and their overall agreement to adopt and implement its recommendations. While agreeing with the evaluation's main findings and recommendations, the Committee noted that OE had done a good job, especially given that the regional strategy adopted in 2002 came without a results-framework, thus making its evaluation particularly challenging.

13. Some Committee members wondered how useful the results of a wide-ranging evaluation, such as the EVEREST, are for IFAD. Moreover, some members felt that the main findings of this evaluation are similar to findings of other recent OE evaluations, including the IFAD Independent External Evaluations and the ARRI. In this regard, the Committee took note that the EVEREST has arrived at robust and far-reaching conclusions that serve as key building blocks for the further development of IFAD's overall strategic directions and activities in the region. The Committee further noted that both the IFAD and PI management found the EVEREST very useful towards defining the Fund's overall priorities, approaches and activities in Asia and the Pacific in the future. On the second issue, the Director of OE underlined that, more broadly, the primary purpose of evaluation is to report the truth and it can not be expected to generate new findings all the time. If findings are increasingly becoming repetitive, that in itself is a cause for concern, illustrating that the same challenges continue to persist in IFAD operations.

14. In terms of specific results, the Committee took note that portfolio performance in the region has been good, especially as compared to the IFAD-wide ratings reported in the Annual Report on Results and Impact of IFAD Operations. But concerns remain about the systematic promotion of innovations, replication, scaling up, policy dialogue and partnership strengthening, targeting and sustainability, which the evaluation recognizes as areas in need of improvement. Moreover, the EVEREST concludes that portfolio performance and overall results could have been greater if more systematic business process management had been in place.

15. The EVEREST found that three of the five strategic directions included in the regional strategy of 2002 namely, the development of indigenous peoples, enhancing the capabilities of women, and building coalitions of the poor are appropriate as IFAD's strategic directions in Asia and the Pacific. However, the EVEREST notes that the development of less-favoured areas and enhancing peace for poverty reduction should be reconsidered as strategic directions in the new regional strategy. Finally, the EVEREST noted that the regional strategy did not fully serve as an effective management tool as it did not, for example, include indicators of performance nor did it give an account of the resources required for its effective implementation.

16. The Committee found particularly interesting the coverage by the EVEREST of selected IFAD business and management processes, such as human and financial resources management, and the links between them and the overall results achieved by the Fund in the region. Moreover, in response to a specific query on the matter, the Committee was reassured that as per its terms of reference, it would eventually have a chance to discuss the new LEAD regional strategy for Asia and the Pacific, before the same is presented to the Executive Board.

17. Among other issues, the Committee expressed concern about the findings reported in the EVEREST on IFAD's field presence pilot programme, underlining the importance for the management to ensure greater delegation of authority to country staff as well as a deeper integration of the programme into IFAD's overall activities at the country level. The Committee also strongly supported the EVEREST's conclusion for IFAD to geographically concentrate, to the extent possible, its resources at the country level and ensure a more appropriate integration of components and activities at the project level.

18. The Committee concurred with the recommendation for IFAD to make partner countries responsible for project formulation, but highlighted the need for the Fund to provide the overall guidelines and backstopping to countries to ensure that the formulation exercise produce the desired outcomes within the allocated budgets and timeframes. OE noted that there are several successful examples in IFAD (e.g. in the East and South Africa Division) and outside (e.g. the Asian Development Bank in Pakistan) of project formulation already being conducted under the overarching responsibility of partner countries.

19. In terms of strategic directions, the Committee underlined the need for the new regional strategy to focus, among other issues, on promoting smallholder agriculture and micro-finance as vehicles for rural poverty reduction. Moreover, OE provided clarification on the recommendation regarding the selection of less favoured areas as one of the five strategic directions in the 2002 regional strategy. In this regard, OE noted that the EVEREST recommends for IFAD to focus its activities in those geographic areas manifested by wide-spread rural poverty, where there are plausible opportunities to promote innovations, which can be replicated and up scaled by other, rather than a priori selecting less favoured areas as a geographic niche. On another matter, the Committee conveyed the need to develop a wider understanding on IFAD's engagement in policy dialogue processes and take proactive steps to engage in PRSP processes as well as strengthen partnerships with key institutions in the region committed to rural poverty reduction.

20. The President's report on the implementation status of evaluation recommendations and management actions (PRISMA). In introducing the PRISMA, the Management conveyed that internal resource constraints have been the main reason for its inability to implement in a timely manner some recommendations emerging from OE evaluations. In spite of the aforementioned, the Committee noted that the implementation rate (87 percent) of evaluation recommendations as reported in this year's PRISMA is quite encouraging.

21. Moreover, the Management expressed its overall agreement with the comments prepared by OE on the PRISMA. In particular, the Management commented that in the future the PRISMA shall make specific efforts to address evaluation recommendations on systemic issues, for example, such as the need for improvements in project-level monitoring and evaluation systems and in ensuring that provisions for enhancing sustainability are included as early as possible in the project/programme life cycle.

22. As reflected in the OE comments on the PRISMA, the Committee agreed that there were considerable improvements in the report over last year's submission. The Committee also acknowledged the constructive working relationship between PMD and OE in the preparation of this important document. While it acknowledged a marked improvement in the analytical content of the PRISMA, the Committee suggested that in future it would be beneficial for the document to also provide a coverage of wider strategic issues, in addition to its focus on project-specific matters. This would serve towards providing a better understanding on the extent to which the Management has put in place the required mechanisms to ensure continuous and sustained changes that lead to an improved performance and better results from IFAD activities.

23. The prioritization of evaluation recommendations was considered an important feature. OE informed the Committee that the division will continue its efforts aimed at limiting the number of and prioritizing the recommendations found in evaluation reports. Finally, while recognizing the importance of volume two of the PRISMA, the Committee decided that volume two would not be shared with the Committee or the Board in the future. That is, it was noted that the high levels of detail and information in volume two is more a requirement for the Management, and not essential for consideration by the Committee/Board.

24. Evaluation of the Action Plan for Enhancing IFAD's Development Effectiveness. As requested by the Board during its eighty-seventh session in April 2006, the Committee further discussed the proposal by OE on the evaluation of the IFAD Action Plan (see Annex 1 in document EB 2006/87/R.2). In this regard, the Committee agrees that given the early stage in the implementation of the Action Plan, it is not possible to conduct a 'traditional' evaluation that would focus on the overall results and impact of the Action Plan. Hence, the proposal is to conduct a process evaluation of some aspects of the Action Plan where OE has gained experience in the past.

25. Selected participants raised some questions regarding the usefulness of undertaking the proposed evaluation at this stage in time, and underlined that it may be more important in due course to evaluate the cultural changes that are likely to be brought about within IFAD by the implementation of the Action Plan. Notwithstanding the aforementioned, the Committee noted that the proposed evaluation would consist of comments in the form of evaluation notes on a limited number of deliverables expected to be generated under the Action Plan in terms of three specific issues: (i) their overall evaluability assessment; (ii) an account on whether the Action Plan deliverables appropriately build upon key lessons learned and recommendations from past pertinent OE evaluations; and (iii) the extent to which the deliverables are in line with international good practice.

26. The original proposed evaluation of the Action Plan discussed by the Board in April 2006 contained the preparation of eleven evaluation notes. However, given that OE was not mandated then by the Board to begin the Action Plan evaluation, it has not so far produced evaluation notes on any of the deliverables being discussed by the eighty-eighth session of the Board. As a result, the deliverables that OE would comment upon as part of the proposed evaluation of the Action Plan include the following:

- a. Quality Assurance, December 2006²
- b. Supervision Policy, December 2006
- c. Revised Strategic Framework 2007-10, December 2006
- d. Knowledge Management Strategy, December 2006
- e. Innovations Strategy, September 2007
- f. Development Effectiveness Report, December 2007

27. OE highlighted that the undertaking of the evaluation of Action Plan would have a small implication on OE human and financial resources in 2007, as most of the evaluation notes (4 out of 6) are to be prepared and discussed in 2006. In addition, OE noted that it would be able to prepare the due evaluation notes without requiring any additional resource allocation in 2006. Among other reasons, this is possible because, as previously agreed by the Committee, OE has deferred the commencement of two evaluations in its 2006 work programme to next year.

28. The Committee took note of the very tight timeframes for the preparation of the evaluation notes, caused by the limited time available between the management's own internal approval of the deliverables and their submission for dispatch to the relevant Board sessions. Therefore, in order not to disrupt the management's work on these deliverables and their dispatch to the Board, the Committee proposes to discuss the evaluation notes in the Committee together with the corresponding deliverable, rather than submitting the evaluation notes directly to the Executive Board. This will involve the Committee receiving the evaluation notes shortly ahead of the corresponding Evaluation Committee session.

² The preparation of an Evaluation Note on this topic will no longer be undertaken, as OE was subsequently informed that the management will not be presenting a specific deliverable on this topic to the Board for approval.