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Enabling the rural poor to overcome poverty

Work Programme and Budget for 2008 Office of Evaluation

 $\begin{array}{lll} {\sf Evaluation\ Committee-Forty-ninth\ Session} \\ {\sf Rome,\ 10\ October\ 2007} \end{array}$

For: **Review**

Note to Evaluation Committee Members

This document is submitted for review by the Evaluation Committee.

To make the best use of time available at Evaluation Committee sessions, Members are invited to contact the following focal point with any technical questions about this document before the session:

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Abbreviations and acronyms

AfDB African Development Bank

ARRI Annual Report on the Results and Impact of IFAD Operations

AsDB Asian Development Bank

COSOP Country Strategy and Opportunities Paper

CPE Country Programme Evaluation
DER Development Effectiveness Report
ECG Evaluation Co-operation Group

ICSC International Civil Service Commission
NONIE Network of Networks on Impact Evaluations

OE Office of Evaluation

OECD/DAC Economic Co-operation and Development/Development Assistance

Committee

PA Western and Central Africa Division
PF Eastern and Southern Africa Division

PI Asia and the Pacific Division

PL Latin America and the Caribbean Division
PN Near East and North Africa Division
PMD Programme Management Department

PPR Portfolio Performance Report

PRISMA President's report on the implementation status of evaluation

recommendations and management actions

PSDPS IFAD's Private-Sector Development and Partnership Strategy

SWAps Sector-wide approaches

UNDG United Nations Development Group UNEG United Nations Evaluation Group

Work Programme and Budget for 2008 of the Office of Evaluation

I. Background

- 1. This document is presented to the Evaluation Committee for consideration at its forty-ninth session in October 2007.
- 2. A discussion took place on the preview of the Office of Evaluation's (OE) 2008 work programme and resources issues during the Committee's forty-eighth session and the Board's ninety-first session, which were both held in September 2007. The OE 2008 work programme and budget under consideration has been prepared taking into account the guidance and comments provided by the Committee and the Board during their respective sessions in September 2007. With further guidance from the Committee in October, OE will then prepare 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 will be considered by the Audit Committee in November 2007, together with the Administrative Budget of IFAD for 2008.

II. Summary of the 2008 Work Programme and Budget

- 3. 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 including the joint evaluation with the African Development Bank (AfDB). However, as instructed by the Board in December 2006, the proposed OE work programme and resource requirements for 2008 will return to a more sustainable level.
- 4. In September 2007, the Executive Board expressed support for the work programme and recognized the importance of the proposed activities. It also noted the proposed reduction in the budget. However, the Executive Board requested OE to further analyze the priority and evaluability of some of the proposed evaluations and decided not to undertake the Meso-America evaluation and to delay to 2009 the evaluation of the IFAD Sector Wide Approaches Policy (SWAps). Based on the Board's instructions, OE is now proposing a further reduced work programme and has also managed to reduce the level of human resources required in 2008. These changes will result in a further reduction by US\$ 310 000 in the proposed budget for 2008 (which is now US\$ 5.47 million) as compared to US\$ 5.78 presented in the September 2007 submission.

III. Achievements in 2007

- 5. OE had four main priorities for 2007: (i) conducting of selected corporate-level, country programme, and project evaluations; (ii) specific evaluation work required under the IFAD Evaluation Policy and the Terms of Reference of the Evaluation Committee; (iii) evaluation outreach and partnerships; and (iv) evaluation methodology development. Overall, OE has been able to implement all but one of the activities planned under the four established priorities, but it has also undertaken a number of activities that were not planned. The specific achievements against the priority areas are listed in Annex I.
- 6. More specifically, the planned corporate-level evaluations for 2007 are on track, including in particular the joint evaluation with the AfDB on agriculture and rural

¹ The commencement date of the Sudan country programme evaluation (CPE) was postponed due to 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 the evaluation of the One UN 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 the one UN wide independent evaluation outfit.

development in Africa. An inception report for the joint evaluation was prepared in July. Desk work is in full swing and an interim report will be prepared in early January 2008. Thereafter, visits will be undertaken to a number of countries in the continent. A memorandum of understanding between AfDB and IFAD, signed on 16 July in Tunis, captures the broad scope and the administrative and financial arrangements related to the joint evaluation. Among other issues, the memorandum entrusts OE with the day-to-day management of the joint evaluation. A Communication Plan is currently being developed to engage key stakeholders, including the managements and Executive Boards of each institution.

- 7. As requested by the Board in December 2004², at the end of 2007, OE will begin 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.
- 8. OE has completed the evaluation of IFAD's Field Presence Pilot Programme. Among other issues, the evaluation found that the performance of IFAD is better in terms of providing implementation support, undertaking policy dialogue, strengthening partnerships and managing knowledge in countries that have some form of field presence than in those without such a presence. In sum, 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 together with its agreement at completion point was discussed during both the 48th Evaluation Committee and 91st Executive Board sessions, as well as during an informal seminar of the Board before its 91st session.
- 9. The evaluation of the IFAD Rural Finance Policy was also completed by OE in 2007, and presented to the Evaluation Committee at its 46th 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 operation needs improvement. It concluded that, compared with other organizations, IFAD does not have sufficient technical staff dealing with rural finance and that greater attention needs to be devoted to quality assurance of IFAD-funded rural finance operations during the project design phase. Among other issues, the evaluation recommended that IFAD update its corporate rural finance policy, which was prepared in 2000.
- 10. The Evaluation of the Regional Strategy for the Near East and North Africa is being completed. 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 adequate implementation of the strategy through IFAD country programmes and operations.
- 11. OE worked on a number of country programme evaluations (CPEs) in 2007. First, it completed the Mali CPE by organizing a national round-table workshop in Bamako to discuss the key conclusions of the evaluation and to lay the basis for the agreement at completion point. This 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.
- 12. The Morocco CPE was concluded in June 2007 following the organization of a national round-table workshop in Marrakech. The IFAD programme in Morocco was found to have a satisfactory performance and impact on rural poverty reduction, particularly in terms of increased food security, diversification of income and

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² See the Initiative for Mainstreaming Innovation, document EB 2004/83/R.2.

- improved productive resources. The CPE found, however, that activities related to rural finance and, in particular, marketing of agricultural produce needed improvement, for example, by widening opportunities for agro-processing. It was also noted that the lack of a permanent IFAD presence in the country was hampering its ability to engage effectively in policy dialogue activities.
- 13. The Brazil CPE was undertaken in 2007, and the corresponding final national roundtable workshop is planned for November. The findings of the Brazil CPE highlighted that the performance of the projects funded by IFAD in the country has been good, whereas non-project activities such as policy dialogue, knowledge management and partnership-building especially with donor organizations have been weak. Likewise, IFAD's overall capacity to promote innovations systematically needs to be enhanced. Finally, the evaluation reveals the importance for IFAD to reflect on its overall approach and priorities for engagement in middle income countries like Brazil, given that their requirements are very different from low income countries.
- 14. OE completed the field work in relation to the Pakistan CPE, and the draft report is under preparation. Preparatory activities related to the CPEs for Ethiopia, Nigeria and Sudan have been undertaken. The main CPE mission to Ethiopia has been fielded, where as the one for Nigeria will be launched before the end of the year. Finally, OE undertook four project evaluations in Belize, Burkina Faso, Pakistan and the Philippines, in addition to completing a project evaluation in Romania that had been started in 2006.
- 15. As required by the Evaluation Policy, OE produced this year the 5th edition of the Annual Report on the Results and Impact of IFAD Operations (ARRI). In addition to presenting as usual the aggregate results of operations evaluated in the previous year (2006 in this case), the ARRI includes a five year block analysis of IFAD's results and impact for the entire period from 2002-06. The latter is based on the set of ratings for 73 projects evaluated by OE since 2002. The analysis reveals that 73 per cent of the 2006 cohort of projects evaluated had a satisfactory overall achievement. However, sustainability remains a challenge with 47 per cent of the projects evaluated last year being unsatisfactory in this area. Marketing and monitoring and evaluation are also areas that need further improvement.
- 16. 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 more attention than previously to two learning themes sustainability and innovation. Finally, the ARRI also proposes three themes (i.e., the issue of country context, monitoring and evaluation, and weaker impact areas such as marketing and environment) emerging repeatedly in OE evaluations that IFAD needs to address energetically in the future. Finally, as in the past, the ARRI document will be discussed by the Evaluation Committee in October and Executive Board in December.
- 17. As per the Terms of Reference of the Evaluation Committee, OE has so far this year organized three sessions of the Committee: in April, September and October. During these sessions, the Committee discussed project evaluations undertaken in Colombia, the Philippines, and the United Republic of Tanzania, in addition to a number of other key documents such as the corporate-level evaluation of the Field Presence Pilot Programme, the ARRI, the OE work programme and resource issues for 2008, the President's Report on the implementation status of evaluation recommendations and management actions (PRISMA), and the IFAD Innovation Strategy, together with OE comments. 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. Eight Committee members and five Executive Board members took part, and the Chairman of the Committee submitted a written report to the Board on the

- visit. OE also organized an orientation session for new members of the Evaluation Committee in September, which introduced them to the Evaluation Policy, Terms and Reference and Rules of Procedure of the Evaluation Committee, OE's evaluation methodologies and so on.
- 18. OE has been working on completing its new evaluation manual, which will contain its country programme and project evaluation methodologies and processes. The new manual will build on the experiences accumulated in implementing the methodology in past years, and contain improved processes and methodologies taking into consideration the initiatives under the Action Plan such as the development of IFAD's new Strategic Framework 2007-2010. Moreover, the development of the manual will provide an opportunity to further harmonise the Fund's independent and self evaluation methodologies.
- 19. The manual is at an advanced stage of development, and a final version will be issued in early 2008 (see paragraph 42). The manual will serve as the key reference document for undertaking project and country programme evaluations with the aim to facilitate the conduct of rigorous and high quality evaluation. Before its finalisation, the manual will benefit from the comments of an International Expert Panel³ and the Evaluation Committee in a dedicated session in 2008.
- 20. 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. Moreover, OE organized a training workshop for all evaluation officers and a group of core consultants for further strengthening the analysis on project efficiency in evaluation activities.
- 21. On a related issue, OE was an active member of a corporate task force responsible for developing the results measurement framework, a tool that will allow Management and the Executive Board to monitor the progress being achieved by the organization against the hierarchy of development objectives that lies at the heart of the IFAD Strategic Framework 2007-2010. Moreover, as a further step towards harmonizing IFAD's independent and self evaluation methodologies, the Programme Management Department has adopted in 2007 the same six-point rating scale used by OE for producing individual project status reports (PSR)⁴.
- 22. 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)⁵ and also of the Evaluation Cooperation Group (ECG)⁶, in which OE has been invited to participate as an observer, pending the final decision on whether to admit additional organizations as full members. Moreover, OE is represented on and engaged in the UNEG task force on evaluation quality enhancement. One OE evaluation officer is an active member of the Network of Networks on Impact Evaluations (NONIE) working group of the Organization for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC), which is a platform for exchanging good practices and

⁵ 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 and so on.

³ 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 SIDA Evaluation Outfit and Chair of the Evaluation Network of the OECD/DAC).

Moreover, this year, PMD converted all ratings in the 2006 PSRs from a 4 to 6 point scale.

⁶ With a broadly similar mandate to the UNEG, the ECG is composed of representatives of multilateral development banks.

- other issues related to impact evaluations. 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.
- 23. Following the initiative of the OECD/DAC, the United Nations Development Group (UNDG) invited IFAD to participate in the evaluation of the Paris Declaration on Aid Effectiveness. The evaluation is being co-ordinated by UNDP's Evaluation Office. The evaluation will assess the UN support to new aid modalities, looking both at the performance at headquarters (of UN agencies in New York, Geneva, and Rome) in bringing our procedures and incentive systems in line with the Paris Declaration and at the country level in supporting partner country capacity. The first phase of the evaluation, undertaken in 2007-08, is a formative evaluation focusing on the implementation process. The second phase focusing on results will be undertaken thereafter.
- 24. Likewise, OE is contributing, within the UNEG, to the evaluation of the One UN pilot initiative. This entails assisting in the undertaking of an evaluability assessment of the pilot, which would ultimately allow for a results-based evaluation of the pilot in the coming years. 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 UNDP the conceptual framework for the establishment of a United Nations-wide independent evaluation office.
- Following the workload assessment carried out in 2006 for Professional staff, a similar exercise for the OE General Service staff was completed earlier in 2007. Similar to the workload assessments undertaken in other departments at IFAD in the recent past, 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 quality of the entire OE team, aligning the division with the reform currently being implemented within IFAD as part of the Action Plan. This assessment brought up a number of issues that the division is addressing with due attention through a comprehensive team building and renewal process with the involvement of all OE staff. For this purpose, OE has set up a number of "improvement working groups" within the division to address each issue arising from the assessment. This process has produced tangible results, *inter-alia*, in terms of efficiency gains⁷, which will allow a more rationale usage of the staff resources required by OE in 2008 (see paragraph 50).

IV. Taking Stock of 2007

26. Before defining its priority areas, work programme and resource requirements for 2008, OE reviewed the experience in implementing its 2007 work programme and budget. Some key issues are summarized below.

27. 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 interevaluator variability. Some steps to be taken in this respect would be to devote greater efforts at the outset of each evaluation to systematically briefing consultants in the use of various data collection instruments and reporting formats, consistently undertake internal peer reviews of evaluation reports, and compile (in

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⁷ This includes, for example, 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.

- the context of the evaluation manual) good practice examples⁸ for staff and consultants to follow in implementing evaluations under their responsibility.
- 28. Effective consultants management is crucial for the work of OE. One of the OE improvement working groups (see paragraph 25) is devoted to this theme, and is working 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. Measure to improve consultants management already introduced in 2007 include, for example, systematic briefing of mission leaders in IFAD headquarters at the outset of each evaluation and during part of the report-writing phase. Similarly, the participation of mission leaders together with the designated OE lead evaluator in preparatory missions has been introduced as a standing practice.
- 29. On another issue, OE staff has increasingly themselves devoted more time to each evaluation activity as compared to the past, especially by getting more comprehensively involved in the undertaking of evaluation analysis, report preparation and outreach. Among other issues, deeper OE staff engagement in each evaluation enables them to play an even more effective and wider role in the evaluation feedback and learning loop, which is something that cannot be outsourced to consultants.
- 30. As per the terms of reference of the Evaluation Committee, OE periodically organizes field visits for the Evaluation Committee (see paragraph 17). These events have proved to be very useful, as they allow Committee members to interact directly with project beneficiaries and other stakeholders in partner countries, and to participate in the final stages of higher-plane evaluations. A number of field visits have been undertaken in the past years⁹. 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 to undertaken the field visit in a more systematic manner, including the organisation of a seminar on the topic before the field visit. Moreover, steps will be undertaken to maximise the interactions between the Committee and the rural poor and their communities in the field, and allocating sufficient time to assess the results of activities funded by IFAD on the ground.

V. OE Priorities for 2008

31. OE has four priorities for 2008, which take into consideration the need to satisfy the requirements of the Evaluation Policy and the terms of reference of the Evaluation Committee.

32. These **four main priority areas** 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;
- (c) evaluation outreach and partnerships; and
- (d) evaluation methodology.
- 33. Priority area (a) represents the core of OE's work programme, in terms of both the number of activities and the human and financial resources required. Under this priority, OE will complete a number of evaluations that were initiated in 2007. These include first and foremost the joint evaluation with the AfDB on agriculture

⁸ For approach papers, terms of reference, aide memoires, evaluation reports, etc.

⁹ Field visits have been undertaken in the following countries since 2000: the Syrian Arab Republic, Indonesia, Mexico and Mali.

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 Innovations Mainstreaming Initiative. As stated in the new IFAD innovation strategy adopted by the Board at its $91^{\rm st}$ session, the evaluation will be instrumental in contributing to the implementation of the innovation strategy

- 34. In April 2005, IFAD's Private-Sector Development and Partnership Strategy (PSDPS) 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 initiative¹⁰. However, as agreed with the Evaluation Committee and Executive Board in September, in order to give more time to the implementation of the PSDPS, this evaluation will be initiated in 2009 (the Board originally requested OE to initiate this towards the end of 2008).
- 35. With regard to the SWAps evaluation, at its 48th session the Evaluation Committee requested OE to further analyse the timeliness of initiating this evaluation in 2008, and to come back in October to the Committee with a final proposal on the issue. In this regard, OE has ascertained that IFAD has to date participated in financing only 3 SWAps in Mozambique, Tanzania and Uganda, respectively. With the exception of the Uganda SWAps, the disbursement rates of the Mozambique and Tanzania SWAps are still very low at around 5 per cent. Given the aforementioned, OE proposes to defer the evaluation of the SWAps policy to a later date, especially once the ongoing SWAps have reached a more mature stage to facilitate an evaluation by OE. Deferring the evaluation would also allow OE to initiate contacts with other relevant donors to assess their interest in undertaking a joint evaluation on SWAps, which is important given the potential sensitivities and complications of undertaking unilaterally an evaluation of a financing instrument that benefits from the engagement and funding of multiple donors.
- 36. As mentioned above, in coordination with the UNEG and UNDG respectively, OE is involved in the ongoing evaluations of the One UN pilot initiative and the Paris Declaration on Aid Effectiveness. With regard to the evaluation of the Paris Declaration, in 2008, OE's contribution will include the finalization of the first phase of the evaluation, which will be presented at the High Level Forum on Aid Effectiveness to be held in Accra, Ghana. With regard to the evaluation of the One UN pilot, OE will contribute to the development of the methodology for the independent evaluation of the pilot initiative, which will take place in 2009/2010.
- 37. OE will finalize the CPEs of Brazil, Ethiopia, Pakistan, Sudan and Nigeria that commenced in 2007, and initiate four new CPEs in Argentina, Côte d'Ivoire, India and Mozambique. Additionally, OE will undertake six new project evaluations in China, Cote d'Ivoire, Guatemala, Indonesia, North Korea, and Tanzania in all five IFAD regions.
- 38. 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. OE will review and prepare its comments on the PRISMA report, Portfolio Performance Report and Development Effectiveness Report. 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.
- 39. 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. 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

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¹⁰ See documents EB 2005/84/R.4/Rev.1 and document EB 2005/84/R.5/Rev.1.

- session in December 2008, including the country of destination for the annual field visit.
- 40. 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 System¹¹ will be maintained. OE will continue to hold multistakeholder workshops in partner countries, with the aim of exchanging views and experiences on the main results and lessons learned from evaluations.
- 41. In terms of partnerships, OE will continue to participate actively in the discussions of the UNEG and ECG. It will also take part in selected international and regional conferences and workshops on evaluation and related themes.
- 42. 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 finalise its new evaluation manual, which will contain its enhanced evaluation methodologies and processes. As anticipated to the Committee in September, the manual will be finalised next year following discussions with the Evaluation Committee in a dedicated session, the IFAD management and the International Expert Panel. Specific efforts will be undertaken to roll-out the manual, which will include among other issues a dedicated training session for OE staff and consultants. Finally, the internal peer review process will be strengthened and made an integral aspect of the division's work to ensure high quality evaluations.
- 43. During its 48th session, the Committee briefly discussed the mechanisms for further strengthening the Executive Board's oversight of OE's effectiveness, with the understanding that additional information would be included in the document under consideration by the Committee at its session in October 2007. In this regard, following initial enquiries by OE, there does not appear to be an internationally recognised model for the oversight of evaluation outfits in multilateral organisations, even though there are elements of it (e.g., external peer reviews) that are or have been experimented in selected United Nations organisations, such as WFP, UNDP or UNICEF.
- 44. On this issue, and building on existing measures that currently contribute to OE's oversight, one option is to conceive the oversight function for OE as an integrated system that consists of two mutually reinforcing components, some of which are already fully or partly in place at IFAD:
 - **non-recurrent measures.** These are normally resource and time intensive, and could be conducted from time to time, as specific initiatives with the overall ownership of the Executive Board. They could include: (a) exposing OE to an external peer review¹²; and (b) reviewing as and when required the quality of OE's evaluation manual, including the methodologies and processes applied within OE; and
 - **continuous measures.** These are standing activities, which are already fully or partly in place at IFAD. These includes items such as: (a) an internal quality assurance mechanism consisting of systematic and well structured internal peer reviews of all evaluations; (b) the use of Senior Independent

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¹¹ This may be accessed through the IFAD website.

Within the framework of the United Nations Evaluation Group (UNEG) and in cooperation with the OECD/DAC, an approach to the undertaking of peer reviews of the evaluation function in UN organisations has been developed. Simultaneously, the Evaluation Co-operation Group (ECG) is working towards a similar arrangement for International Financial Institutions. In this regard, OE actively participates in the UNEG and has been recently admitted as an observer in the ECG, and is therefore closely following the developments with regard to peer reviews.

Advisors for higher plane evaluations who, among other issues, would bring reassurance to the Committee and Board with regard to the quality of evaluations conducted by OE; and (c) self evaluation and reporting by OE on its effectiveness as part of its annual work programme and budget, revolving around a number of key questions such as how independent is the work of OE, how useful are the evaluations conducted by the division, how credible are they, and how are consultants selected, managed and appraised.

- 45. In sum, OE's proposal for consideration by the Committee is that, in 2008, it would elaborate an overall proposal for a possible system of oversight that could be applied to OE's effectiveness and the quality of its work in the future. The proposal consisting of elements mentioned in paragraph 44 would be discussed in the Evaluation Committee and the Executive Board in the framework of the submission of OE's 2009 work programme and budget.
- 46. In addition to that, in 2008, OE proposes to discuss the new evaluation manual with the Evaluation Committee as outlined in paragraph 42. The division, furthermore, will continue to make use of internal peer reviews and Senior Independent Advisers, as explained in paragraph 44.

VI. Human and Financial Resource Requirements

- 47. 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 due to the increased number of higher plane evaluations OE undertook 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 which is considerably smaller than in 2007.
- 48. In September 2007, the Executive Board during its ninety-first session expressed support for the work programme and recognised the importance of many of the proposed evaluations. It also noted the considerable proposed reduction in the budget. However, the Board requested OE to further analyse the priority and evaluability of some of the evaluations.
- 49. 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 (which in September 2007 the Board decided not to undertake) and the PSDPS, which will be deferred to 2009. Furthermore, OE proposes to delay the evaluation of the SWAps policy to 2009, because there are currently only a few SWAps supported by IFAD, which are in a too early stage of implementation to enable a results-based evaluation.
- 50. The proposed reduced work programme for 2008 can be implemented with a reduced level of human resources. This is also a consequence of the efficiency gains achieved through the current team building and renewal process (see paragraph 25). In fact, in 2008, OE plans a reduction (as compared to 2007) of 0.5 professional and 1 unit in the general service staff levels (see table 4 in annex 2).
- 51. With regard to staffing, during its September session, the Committee asked for more information on staff costs. In this regard, it is useful to underline two main drivers of OE staff costs. These are:
 - the need for OE to absorb the 7 per cent mandatory increases for 2008 dictated by the International Civil Service Commission (ICSC) in its staff costs component. The increases are driven by changes, for example, in the salary scale for all UN staff, education grant, pension contribution, rental subsidy, home leave and so on. Unlike for the rest of IFAD which has a much large cadre of staff and therefore greater flexibility, OE's relatively small staff numbers compels it to absorb all the mandatory increases dictated by the

- ICSC to ensure that OE staff salaries and entitlements can be granted in a timely manner, as per IFAD's human resources provisions.
- Moreover, as a results of the cumulative effects of these mandatory increases over the years, next year, as in 2007, the staff costs component of the OE budget will be larger as compared to the evaluation work component. However, as in 2007, next year OE staff will continue to devote more staff time to each evaluation activity as compared to the past, which is essential to further enhance the quality of evaluation outcomes and for enabling deeper learning and evaluation feedback to the management and other stakeholder throughout the evaluation process. This is something that cannot be outsourced (see paragraph 29).
- 52. It is foreseen that the above priorities and work programme will require a budget that is expected to entail a 15 per cent reduction in real terms as compared with the OE budget for 2007 (as shown in table 1 of annex II). 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 is exemplified by the fact that the proposed 2008 budget will entail only a 4 per cent increase in real terms (i.e., not taking the mandatory increase into account) as compared with the OE budget in 2006. Finally, as requested by the Committee, table 2 in annex II contains the OE proposed budget according to the four priorities for 2008.
- 53. In November 2006, the Audit Committee requested that OE investigate the possibility of developing a fixed ratio of OE's budget to either IFAD's administrative budget or its programme of work. On this issue and following investigation by OE, it is to be noted that the evaluation budgets of other institutions such as the World Bank, AfDB, AsDB, FAO, UNDP and WFP are not determined by any formally fixed ratio neither to the administrative budget or the programme of work. Moreover, in any case, it is noteworthy that the ratio of the OE administrative budget to the IFAD administrative budget for 2008 (4.84 per cent) is lower than it was in 2007 (5.43) and 2006 (4.87) see table 3 in annex II.
- 54. The specific budget for 2008 will be presented to the Executive Board in December 2007. The preliminary OE budget proposal for 2008, including the 2 per cent inflation factor used by the rest of IFAD and the mandatory ICSC costs, is US\$ 5.47 million and is presented in table 1 of annex II.

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OE Achievements in Relation to Planned Priorities and Activities in 2007

Priority Area	Type of Work	Evaluation Activities	Planned Implementation Status	Present Status
Priority A: Conducting of	1. Corporate-level evaluations	IFAD Rural Finance Policy	To be completed in March 2007	Completed
selected		Field Presence Pilot Programme	To be completed in July 2007	Completed
corporate-level, country		Regional Strategy in Near East and North Africa	To be completed in March 2007	Will be completed by December 2007
programme, and project evaluations		IFAD's Capacity to Promote Replicable Innovations for Rural Poverty Reduction	To start in December 2007	Will be undertaken as scheduled
evaluations		Joint evaluation with AfDB on Agricultural and Rural Development in Africa	To start in January 2007	Started as scheduled
		IFAD's approaches and operations in Meso- America	To start in November 2007	Dropped, in consultation with the Evaluation Committee in September 2007
	2. Country Programme	Brazil	To be completed in December 2007	Undertaken as scheduled
	Evaluations	Ethiopia	To start in March 2007	Undertaken as scheduled
		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	Undertaken as scheduled
	3. Project Evaluation 3.1 Interim Evaluation 3.2 Completion Evaluations	Sudan	To be completed by December 2007	To be completed in 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	Undertaken as scheduled
		Philippines, Western Mindanao Community Initiatives Project	To be completed in November 2007	Undertaken as scheduled
		Albania, Mountain Areas Development Programme	To be completed in November 2007	Will be completed in 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	Will be completed in November 2007

Priority Area Type of Work		Evaluation Activities	Planned Implementation Status	Present Status
		Pakistan, Dir Area Support Project	To be completed in October 2007	Will be completed in December 2007
		Romania, Apuseni Development Project	To be completed in January 2007	Will be completed in November 2007
Priority B: Specific evaluation work required by the Evaluation Policy	4. Evaluation Committee and Executive Board	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	Three sessions organized and field visit undertaken to Mali in March 2007
and the Terms of Reference of the Evaluation Committee		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	Undertaken as scheduled
		OE's comments on the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)	To be completed by July 2007	Completed
		Fifth Annual Report on the Results and Impact of IFAD Operations (ARRI)	To be completed by December 2007	Will be completed as scheduled and presented to the Committee in October and the Executive Board in December
		OE's comments on the Portfolio Performance Review Report and Development Effectiveness Report	To be completed by December 2007	Will be undertaken as scheduled
		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. OE comments discussed during the 48 th Committee session
Priority C: Evaluation	5. Communication Activities	Reports, Profiles, Insights, OE Website, etc.	January December 2007	Undertaken as scheduled
outreach and partnerships	6. Partnerships	Evaluation Co-operation Group, the Swiss Agency for Development and Cooperation and UNEG, NONIE	January-December 2007	Undertaken as scheduled
		Establishment of a one UN-wide independent evaluation outfit	January-December 2007	Completed
		Paris Declaration for Aid Effectiveness	Activity initially not planned. To start in June 2007	To be completed in 2009

Priority Area	Type of Work	Evaluation Activities	Planned Implementation Status	Present Status
		One UN pilot initiative	Activity initially not planned. To start in September 2007.	To be completed in 2011
	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, COSOPs, and in those cases when projects evaluated by OE are considered for a follow-up phase	January-December 2007	Undertaken as scheduled
Priority D: Evaluation	8. Methodological Work	Methodology Quality Assurance	January-December 2007	Undertaken as scheduled
methodology development	WOIR	Evaluation Manual	To be completed in April 2007	Will be discussed with the Evaluation Committee in 2008, and completed thereafter.
		OE's contribution to enhance IFAD self- evaluation activities	January-December 2007	Undertaken as scheduled
		Management of consultants	January-December 2007	Undertaken as scheduled
		Peer reviews of all higher-plane evaluations and selected project evaluations	January-December 2007	Undertaken as scheduled

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OE 2008 budget proposal

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

	2006 Budget restated	2007 Budget restated	Decrease in Real Terms	Real budget in 2008	Mandatory Increases		2008 Budget
					2% inflation ^a	ICSC staff cost b	
Evaluation Activities ^c	2 684	2 991	-544	2 447	49		2 495
of which EC Field Visit	77	81	22	103	2		105
Staff Costs	2 221	2 835	-188	2 647		326	2 974
Sum	4 905	5 826	-732	5 094	49	326	5 469
in % 2006	100%	119%	-15%	104%	1%	7%	111%
in % 2007		100%	-13%	87%	1%	6%	94%

a. As for the rest of IFAD

Table 2 2008 proposed budget according to the four OE priorities (US\$ 000)

2008 Evaluation work by priorities	2008
	Including staff
	costs
Priority A	
Conduct selected corporate level, country	
programme, and project evaluations	4 509
Priority B	
Specific evaluation work required by the	
Evaluation Policy and ToR of the	
Evaluation Committee	447
Priority C	
Evaluation Outreach and Partnerships	183
Priority D	
Evaluation Methodology Development	329
Subtotal	5 469

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

c. Evaluation Activities corresponds to the sum of the costs related to: (i) evaluation work, (ii) the Evaluation Committee's annual field visit and (iii) staff travel.

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Table 3 Ratio of OE budget as compared to IFAD's administrative budget (including the PDFF) (US\$)

	2005	2006	2007	2008 (proposed)
IFAD	89.9	96.7	104.7	112.9
OE	4.69	4.71	5.69	5.47
% OE budget as compared to IFAD	5.22	4.87	5.43	4.84

Table 4 OE human resource requirements in 2008 (as compared with 2006 and 2007)

2006 level	2007 level	2008		
		Regular ¹³	Fixed Term ¹⁴	Total
18	20	16.5	2	18.5

 13 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.

14 These are staff with contracts of a one year duration at maximum.

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OE Work Programme for 2008

Priority Area	Type of Work	Evaluation Activities	Start Date	Expected Finish
Priority A: Conduct of selected	1. Corporate level Evaluations	IFAD's Capacity to Promote Replicable Innovations for Rural Poverty Reduction	Nov-07	Dec-08
corporate-level,		Joint Evaluation with AfDB on Agricultural and Rural Interventions in Africa	Jan-07	Dec-08
regional strategy, country programme, and	2. Country Programme Evaluations	Argentina	Nov-08	Dec-09
project		Côte d'Ivoire	Nov-08	Dec-09
evaluations		Ethiopia	Mar-07	May-08
		India	Nov-8	Dec-09
		Mozambique	Jun-08	Sep-09
		Nigeria	Aug-07	Oct-08
		Pakistan	Jan-07	Mar-08
		Sudan	Nov-08	Dec-09
	3. Project Evaluations 3.1 Interim Evaluations	Guatemala Rural Development Programme for Las Verapaces	Feb-08	Sep-08
		North Korea Upland Food Security Project	Jan-08	Aug-08
	3.2 Completion Evaluations	Argentina, Rural Development Project for the North Eastern Provinces	Jan-08	Aug-08
		China, Wulin Mountains Minority Areas Development Project	Feb-08	Sep-08
		Cote d'Ivoire, Rural Development Project in the Zanzan Region	Jan-08	Aug-08
		Madagascar Upper Mandrare Basin Development Project, Phase II	Feb-08	Sep-08

Priority B: Specific	8. Evaluation Committee			
evaluation work		Field visit of the Evaluation Committee	Jan-08	Dec-08
required by the Evaluation Policy and the Terms of Reference		Review of the implementation of the Work Programme and Budget 2008 and Preparation of the Work Programme and Budget 2009	Jan-08	Dec-08
of the Evaluation		Sixth Annual Report on the Results and Impact of IFAD's Operations	Jan-08	Dec-08
Committee		OE Comments on the President's Report on the Implementation Status and Management Action on Evaluations' Recommendations (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, according to the revised TOR and rules of procedure of the Evaluation Committee	Jan-08	Dec-08
Priority C: Evaluation outreach and	7. Communication Activities	Reports, Profiles, Insights, OE Website, etc	Jan-08	Dec-08
partnerships	10. Partnerships	UNEG, ECG, Swiss Agency for Development and Cooperation, and NONIE	Jan-08	Dec-08
		Evaluation of the Implementation of the Paris Declaration for Aid Effectiveness, together with the United Nations Development Group	Jan-08	Dec-09
		Evaluation of the One UN Pilot Initiative, together with the UNEG	Jan-08	Dec-11
	11. Project Development Teams & 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
Priority D: Evaluation methodology	4. Methodological Work	Proposal to enhance the oversight and effectiveness of OE	Jan-08	Dec-08
development		Evaluation Manual, including methodologies and processes	Jan-08	Jun-08
		Quality assurance and supervision of methodology application	Jan-08	Dec-08
		Consultants Management	Jan-08	Dec-08
		Peer Reviews of all higher plane evaluations and selected project evaluations	Jan-08	Dec-08

Key features of country programmes and projects to be evaluated in 2008

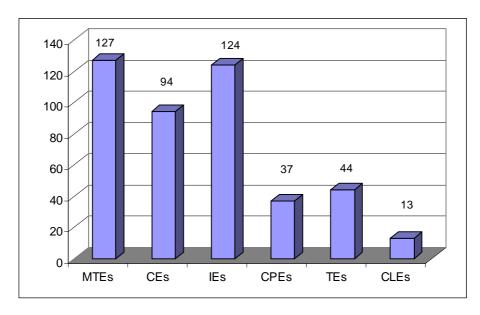
Country Programme Evaluations	Key programme features
Argentina	5 projects (1 ongoing, 1 not effective, 1 not signed), IFAD Loan Amount US\$ 84m, total portfolio costs US\$ 158m, latest COSOP approved in 2003
Cote d'Ivoire	7 projects (2 ongoing), IFAD Loan Amount US\$ 67m, total portfolio costs US\$ 226m, latest COSOP approved in 1997
Ethiopia	13 projects (3 ongoing, 1 not effective), IFAD Loan Amount US\$ 236m, total portfolio costs US\$ 591m, latest COSOP approved in 1999
India	21 projects (7 ongoing, 1 not signed), IFAD Loan Amount US\$ 564m, total portfolio costs US\$ 1677m, latest COSOP approved in 2005
Mozambique	9 projects (3 ongoing, 1 not effective), IFAD Loan Amount US\$ 144m, total portfolio costs US\$ 246m, latest COSOP approved in 2004
Nigeria	8 projects (3 ongoing, 1 not signed), IFAD Loan Amount US\$ 144m, total portfolio costs US\$ 582m, latest COSOP approved in 2000
Pakistan	22 projects (7 ongoing, 1 not signed), IFAD Loan Amount US\$ 423m, total portfolio costs US\$ 2083m, latest COSOP approved in 2002
Sudan	15 projects (4 ongoing, 1 not effective), IFAD Loan Amount US\$ 212m, total portfolio costs US\$ 558 m, latest COSOP approved in 2002
Country and Project Name: Interim Evaluations	Project Objectives
Guatemala, Rural Development Programme for Las Verapaces	The general objective of the programme is to reduce rural poverty among peasants who live in a very fragile natural resource environment in the poorest municipalities of the Las Verapaces Department. The specific objectives of the programme are: (i) to increase peasant incomes through the promotion and support of agricultural and non-agricultural income-generating activities, (ii) to promote and consolidate peasants' organizations in order to strengthen local institutions, (iii) to improve access by the rural population to rural financial services, (iv) to introduce and implement a gender-sensitive approach to all programme activities, (v) to improve and preserve the natural resource base for future generations by implementing sustainable natural resource conservation practices, and (vi) to foster the integration of rural communities into the mainstreams of national economy. Total Project Cost US\$ 26m; IFAD Loan US\$ 15m
Democratic People's Republic of Korea, Upland Food Security Project	The overall objective of the project is to develop and demonstrate balanced, sustainable and replicable cropping systems, coupled with environment management, with a view to achieving higher and more secure production and incomes in the cooperative farms. To achieve this, the project will seek to improve: land use and crop rotations; the supply of high quality seed, especially potato seed; micro-catchment planning; fuelwood plantations and erosion control measures; the provision of rural credit; processing of farm outputs to add value to crop production; opportunities for cooperative communities to improve local infrastructure and services; and the capacity of the government and cooperative farms to implement projects effectively. Total Project Cost US\$ 41.77m; IFAD Loan US\$ 24.44m
Country and Project Name: Completion Evaluations	Project Objectives
Argentina, Rural Development Project for the North Eastern Provinces	The project's general objective is to improve the quality of life of the target population by increasing family income from agricultural and non-agricultural productive activities, diversifying production, and promoting technical change and increased productivity. This would be accomplished through the provision of training, technology transfer, the promotion and strengthening of small producers' organizations, and the provision of financial services. Both the supply and demand for services would be strengthened, creating a link between the rural poor and the support services. Total project cost US\$ 36.4m; IFAD Loan US\$ 16.5m
China, Wulin Mountains Minority-Areas Development Project	The main objective of the project is to reduce the prevailing chronic level of poverty in 92 poor townships through increased food and cash crop production. The standard of living of some 390 000 poor households in the project area will be increased on a sustainable basis through higher income levels and better access to social services. Farming systems have developed into self-sufficient mechanisms geared to meeting basic food requirements, supported by income-generating activities to defray cash expenses and purchase grain. The project will increase the viability, sustainability and resilience of these systems through: (i) facilitating access to credit, thus allowing farmers to acquire the necessary capital inputs for productive activities, (ii) direct investment in rural production infrastructure, such as irrigation and drainage schemes, to create the basis for economic production; and in socio-economic infrastructure, such as roads, drinking water, and

	health facilities, to improve productive capacity and living conditions; and (iii) reinforcing official service structures and grass-roots organizations to better assist farmers to enter the market economy and use credit more efficiently. Total Project Cost US\$ 107.2m, IFAD Loan US\$ 28.0m
Cote d'Ivoire, Rural Development Project in the Zanzan region	The overall objective of the project will be to improve the food security of the most vulnerable populations in the Zanzan Region, The specific development objectives are fourfold: (i) increased, more stable and diversified rural incomes through investment in small irrigation (3-5 ha maximum) schemes for vegetable and horticultural production targeted at women and youth, (ii) improved health status for the most vulnerable populations, with special emphasis on women and children, (iii) reduced isolation of villages contributing to improved conditions for agricultural marketing and stimulation of economic activity in the project zone, and (iv) access of rural populations to financial service through a sustainable institution, thus contributing to higher incomes and increased savings. Total Project Cost US\$ 17.5m, IFAD Loan US\$ 11.1m
Madagascar Upper Mandrare Basin Development Project, Phase II	The overall objective of the project is to increase the agricultural and non-agricultural incomes of the rural population in the project area, in particular for the most vulnerable groups, to improve their general living conditions and to contribute to food security in the southern region of the country. This will be achieved through five intermediate objectives: (i) fostering local development planning and implementation capacities targeting primarily grass-roots farmer organizations whose initiatives constitute the core elements of the project; (ii) supporting local initiatives directed at increased crop and animal production and diversification of income-generating sources; (iii) promoting the development of sustainable resource management systems; (iv) opening up the project area by removing road infrastructure constraints thereby enabling improved access to markets and a reduction of transaction costs; and (v) facilitating access to financial services by the rural population. Total Project Cost US\$ 23.14m; IFAD Loan US\$ 12.59m

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Evaluations (1983-2007)

Number of Evaluations by Evaluation Type (1983-2007)



Legend

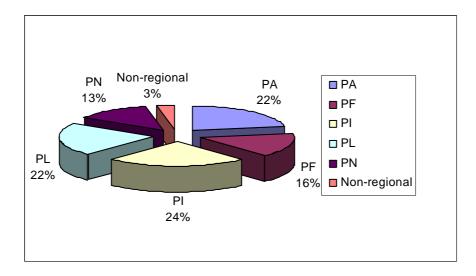
MTEs * Mid-term Evaluations
CEs Completion Evaluations
les Interim Evaluations

CPEs Country Programme Evaluations
TEs Thematic Evaluations

TEs Thematic Evaluations
CLEs Corporate-level Evaluations

* Since 2003, OE has not conducted Mid-term Evaluations.

Distribution of Evaluations by Region (1983-2007)



Legend

PA Western and Central Africa Division
PF Eastern and Southern Africa Division
PI Asia and the Pacific Division
PL Latin American and the Caribbean Division
PN Near East and North Africa Division