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## **Comments of the Office of Evaluation on the Report on IFAD's Development Effectiveness**

Evaluation Committee — Sixtieth session  
Rome, 1-2 December 2009

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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 the Evaluation Committee session, members are invited to contact the following focal point with any technical questions about this document before the session:

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# Comments of the Office of Evaluation on the Report on IFAD's Development Effectiveness

## I. Introduction

1. In line with the decision taken by the Executive Board at its December 2006 session,<sup>1</sup> this document contains the comments of the Office of Evaluation (OE) on the Report on IFAD's Development Effectiveness (RIDE), for consideration by the Evaluation Committee at its sixtieth session on 1-2 December 2009. These comments will be annexed to the RIDE, and also considered by the Executive Board during its December 2009 session.

## II. General comments

2. In general, this year's RIDE is a well-written report providing a useful overview of: (i) the relevance of IFAD within the overall evolving aid architecture; (ii) the Fund's development effectiveness; and (iii) aspects related to its organizational effectiveness and efficiency. On the whole, apart from in a few areas (e.g. the performance of IFAD operations in natural resources management and the environment), there is broad consistency between the results reported and development issues raised in the 2009 Annual Report on Results and Impact of IFAD Operations (ARRI) and the RIDE.
3. The full implementation of the new OE evaluation manual introduced in 2009 calls for additional efforts by Management in further harmonizing the Fund's self-evaluation system with its independent evaluation function. This would ensure better comparability of results reported by OE and Management in the future. There are important opportunities for further harmonization in terms of the definition of selected evaluation criteria (e.g. relevance), and the number and nature of domains within the rural poverty impact criteria. For example, one change brought about by the new evaluation manual is a more comprehensive definition of relevance than that applied in the RIDE (see paragraph 24). In the past, OE assessed relevance by evaluating whether country strategy or project objectives were aligned with a country's own agriculture policies, IFAD policies and priorities, and the needs of the rural poor. The new definition for relevance includes not only a review of the alignment of objectives as in the past, but also an assessment of the internal logic and strategy adopted by the project to meet its objectives. For example, this entails determining whether the design of a project defined the correct component mix and selected appropriate institutional arrangements to achieve project objectives. Therefore, the application of the new definition will allow for a more comprehensive understanding of country strategy or project relevance.
4. Section IV on conclusions is well prepared, providing a succinct account of the main issues found in the document. However, in some instances the section mixes conclusions and recommendations (e.g. see last sentence in paragraph 217); good practice suggests that these would be best "disentangled" in future editions. OE made a similar comment on the past two editions of the RIDE. Moreover, it is suggested that future editions of the document include a short section indicating how the major OE comments from the previous year have been dealt with.

## III. Specific comments

5. **Efficiency of IFAD-funded projects and programmes** is a concern, as underlined by both the 2009 ARRI and the RIDE. As one of the factors affecting efficiency, the RIDE highlights that 21 out of the 25 projects reviewed in 2009 were extended for an average period of 2.4 years. This further reinforces the need to

<sup>1</sup> See EB 2006/89/R.9, Report of the Chairperson on the forty-sixth session of the Evaluation Committee.

ensure that project design is realistic and objectives are achievable, especially in light of the human resources available and the implementation capabilities of partner governments. OE is proposing to the Board that the efficiency of IFAD operations be treated as the key learning theme in the context of the 2010 ARRI. This will provide an opportunity for OE, Management, the Evaluation Committee and the Board next year to collectively reflect on the opportunities and challenges in promoting greater efficiency.

6. The RIDE emphasizes in paragraph 182 the efforts in **training IFAD staff**. The need for training, including specialized individual training for staff and consultants, is of paramount importance. This is especially necessary in light of the evolution of the Fund from a project financing agency to a more comprehensive development organization that also devotes attention to policy issues, enterprise risk management, knowledge management and implementation support. The training budget has increased in the past few years, but is still small relative to the overarching requirements. Moreover, there is a marginal decrease (of around 10 per cent) proposed in the 2010 training budget, compared with the allocation in 2009 (see annex X of the IFAD programme of work and budget for 2010).
7. Paragraph 154 reveals that IFAD-funded "projects are performing worst in the area of **monitoring and evaluation**". This area remains a cause for concern, especially as project monitoring and evaluation systems are one of the most essential building blocks of IFAD's overall self-evaluation system.
8. Paragraph 82 reports that "IFAD's **impact on gender** is strongest among all overarching factors". However, based on evaluations undertaken between 2003 and 2007, the IFAD-AfDB joint evaluation on agriculture and rural development in Africa reveals that limited attention was given in past operations on the continent to promoting gender equality and women's empowerment. Moreover, only half of the operations in Africa that included actions to improve gender equality and women's empowerment showed moderately satisfactory results. The ongoing corporate-level evaluation by OE on the topic is expected to analyse IFAD's efforts in all regions in promoting gender equality and women's empowerment, and to identify lessons learned and recommendations for future activities. This evaluation will be completed next year.
9. This RIDE highlights the slight increase in the percentage of **problem projects** in 2009 compared with the 2006-2007 baseline year. It would be useful if factors leading to problem projects were analysed. For example, if these projects were previously categorized as problem-free projects, what factors created a problematic performance? Moreover, as noted in paragraph 160, the reluctance to close projects that are not performing well is an area that warrants attention in the future as, among other issues, problem projects continue to absorb administrative resources that could be used for other purposes.
10. The coverage in the RIDE of **country presence** is welcome. Evaluations are increasingly revealing the importance of an effective country presence in furthering IFAD's engagement at both the country and project levels. However, there are several issues that need attention. For example, among other issues, the recent India country programme evaluation<sup>2</sup> revealed the importance of greater delegation of authority and of ensuring that the country office has adequate resources to engage in a range of activities; it also underscored the urgency of integrating country presence staff more effectively into IFAD's overall workforce.
11. The RIDE provides an account of IFAD's useful efforts in promoting **pro-poor innovations**. However, the document could devote greater attention to analysing the opportunities and challenges in terms of replication and scaling up, which is

<sup>2</sup> The India country office is the largest IFAD country presence with five full-time staff. It is also one of the longest-standing offices, having been established in 2001.

fundamental in ensuring a wider impact on rural poverty. In fact, the 2009 ARRI underlines the need for IFAD to adopt a more strategic approach to replication and scaling up, including the need to invest more in non-lending activities such as policy dialogue partnership development and knowledge management.

12. Similar to the practice adopted in the ARRI, and as the self-evaluation database becomes larger in terms of number of projects rated, it would be useful if the next edition of the RIDE were to include a section that **benchmarks performance** across the five geographic regions covered by IFAD operations. In addition, consideration could be given to analysing the RIDE dataset using different parameters, such as type of project and date of project approval. This would allow Management to identify regions or thematic areas that need more attention and resources in the future.
13. Furthermore, it is suggested that future RIDE editions include a **box at the end of each chapter** summarizing the key points contained therein. This would draw the immediate attention of readers to the salient elements in each chapter and facilitate the preparation of the report's storyline at the end.
14. Finally, **performance is classified by the RIDE** as strong (6 and 5), average (4 and 3) or weak (2 and 1). However, for sake of consistency with the independent evaluation system, it is suggested that in future performance be classified in two broad categories, as either satisfactory (with ratings of 4, 5 and 6) or unsatisfactory (1, 2 and 3). This would avoid creating two different systems of reporting on performance and reduce possible ambivalence in the interpretation of results.