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Enabling poor rural people
to overcome poverty

Draft minutes of the sixth special session of the Evaluation Committee

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Evaluation Committee – Sixty-eighth Session
Rome, 12-13 July 2011

For: **Approval**

Draft minutes of the sixth special session of the Evaluation Committee

1. As decided by the Committee at its sixty-seventh session held on 19-20 April 2011, the sixth special session of the Evaluation Committee was held on 9 May to finalize discussions concerning the corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy undertaken by the Independent Office of Evaluation of IFAD (IOE), to be followed by a discussion of the evaluation at the May 2011 session of the Executive Board. Specifically, the sixth special session was held to review and discuss the IFAD Management response to the evaluation.
2. It was also decided by the Committee that its deliberations and recommendations on the private-sector evaluation be reflected in a separate report by the Chairperson of the Committee to be submitted to the Board at its 102nd session in May 2011.
3. These minutes thus contain a summary of the deliberations and recommendations of the Evaluation Committee concerning the corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy at its sixty-seventh and sixth special sessions, respectively.

A. Corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy: summary of discussions at the sixty-seventh session of the Evaluation Committee

4. The Committee discussed and welcomed the corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy undertaken by IOE. The Committee also underlined the importance, in the future, of discussing the written IFAD Management response at the same time as the corresponding evaluation report.
5. The report was found to provide useful inputs into the discussions leading to the development of a new IFAD strategy for private-sector development, which IFAD Management expects to present to the Board in December 2011.
6. The Committee emphasized that the departure point for discussions of the Fund's engagement with the private sector is that IFAD develop a more-differentiated definition of the private sector in the context of IFAD operations.
7. The Committee underlined that governments are generally not reluctant to engage with the private sector, but may be constrained in doing so by selected national policies and institutional architecture. The private sector is a heterogeneous group of actors, needing diverse types of support. This should be clearly captured in the new corporate strategy on IFAD's engagement with this sector.
8. The Committee also emphasized the need to address the gender dimension, agricultural research and nutrition in the development of the new strategy. It was noted that the recommendation to establish a private-sector financing facility could be useful and needed further elaboration by Management in the development of the new private-sector strategy, taking into account the complementarity of other partners.
9. The Committee stressed the importance of establishing partnerships with relevant institutions for knowledge management on private-sector development.
10. The Committee noted that Management will need to further assess and elaborate recommendations during development of the new strategy.
11. As noted above, Management plans to produce a draft private-sector strategy for consideration by the Board in December 2011. It was agreed that the draft

document be presented for discussion before then in an informal seminar in September 2011.

B. Summary of discussions at the sixth special session of the Evaluation Committee

12. There were two agenda items for discussion at the sixth special session: (i) Management's response to the corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy; and (ii) other business.
13. With the exception of France and Ireland, all other Committee members attended the sixth special session (Burkina Faso, Canada, India, Indonesia, Mexico, the Netherlands and Nigeria). Observers were present from Austria, Belgium, Brazil, China, Cyprus, Egypt, Luxembourg, Norway, Sweden, the United Kingdom and the United States.
14. The Committee was joined by IFAD's Associate Vice-President, Programmes, Programme Management Department (PMD); the Director of IOE; the Director of the Office of the President and Vice-President; the Secretary of IFAD; and other IFAD staff.
15. Under "other business", the Committee agreed to include a discussion of its forthcoming 2011 country visit to Brazil.

C. Management's response to the corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy

16. The Committee resumed its consideration of the corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy with a discussion of the IFAD Management response.
17. The Committee reiterated the need for a clearer definition of the private sector in the context of the Fund's operations. This is extremely important given the heterogeneous nature of private-sector entities working in rural areas. It also emphasized the importance of partnerships with other institutions in order to enhance IFAD's knowledge of private-sector development.
18. The Committee underlined the importance of a favourable investment climate, which will require IFAD's concerted engagement in policy processes at the country level. Committee members also highlighted possible risks in working with the private sector, which need to be clearly spelled out in the forthcoming private-sector strategy.
19. The Committee encouraged IFAD to review its current organizational architecture and human resources to ensure that it has the commensurate capacities for working towards private-sector development.
20. Committee members recognized the importance of strengthening existing IFAD instruments for private-sector development and of assessing the corresponding costs. Regarding a private-sector financing facility, the Committee recommended further delineation of the development of such a facility as part of the forthcoming private-sector strategy. This also requires outlining various options, including expanding cooperation with organizations that already have facilities for direct lending to the private sector. The eventual introduction of such a facility should be undertaken gradually, ensuring complementarities with IFAD public-sector operations.

D. Other business

21. The Committee discussed its forthcoming country visit to Brazil in May 2011. On the issue of the participation of other Board members in the visit, the Secretary of IFAD informed the Committee that the current Terms of Reference and Rules of Procedure of the Evaluation Committee stipulate, in paragraph 39, that Executive

Board representatives other than Committee members may participate in field visits as observers.

22. On this note, as France and Ireland will not be in a position to participate in the country visit, the Committee approved the participation of two List A Board members, who are not Committee members, in its country visit to Brazil in 2011.
23. The Committee was briefed by the Director, Latin America and the Caribbean Division, on the forthcoming visit to Brazil. The Committee expressed its appreciation of the information.