Minutes of the seventy-fourth session of the Evaluation Committee

Note to Evaluation Committee members

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Evaluation Committee — Seventy-sixth Session
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For: Approval
Minutes of the seventy-fourth session of the Evaluation Committee

1. These minutes cover deliberations of the Evaluation Committee during its seventy-fourth session, held on 21-22 November 2012.

2. All Committee members attended the session (Canada, Egypt, Finland, India, Indonesia, Luxembourg, Nigeria and Norway) with the exception of Brazil. Observers were present from Bangladesh, China, France, Germany, Italy, the Netherlands, Qatar, Sweden, the United Arab Emirates and the United Kingdom. A representative of the United States followed part of the session via teleconference from the United States Treasury in Washington, D.C. The Committee was joined by the Acting Director of the Independent Office of Evaluation of IFAD (IOE); the Secretary of IFAD; the Head of the Governing Bodies Office; the Director of the Strategic Planning Unit; the Senior Advisor to the President on Organizational Development and Coordination; the Officer-in-Charge of the Asia and the Pacific Division; and other IFAD staff. IFAD’s Associate Vice-President, Programmes, Programme Management Department (PMD), attended both days of the session via teleconference.

3. There were 11 agenda items for discussion, as follows: (i) opening of the session; (ii) adoption of the agenda; (iii) draft minutes of the seventy-third session of the Evaluation Committee; (iv) Annual Report on Results and Impact of IFAD Operations (ARRI); (v) Report on IFAD’s Development Effectiveness (RIE); (vi) corporate-level evaluation (CLE): assessment of IFAD’s institutional efficiency and efficiency of IFAD-funded operations – preliminary findings; (vii) country programme evaluation (CPE) for Nepal; (viii) evaluation synthesis of the results-based country strategic opportunities programme (RB-COSOP); (ix) briefing on selected aspects of IOE evaluation methodology; (x) provisional agenda of the Evaluation Committee for 2013; and (xi) other business, including an update on the selection process for the Director IOE.

A. Opening and adoption of the agenda

4. The Committee discussed the agenda for its seventy-fourth session. It was agreed to reverse the order of discussion of two items on the agenda – the CLE of IFAD’s institutional efficiency and the CPE for Nepal – to allow the representative of the United States to participate via teleconference from Washington, D.C. Inclusion of an additional item under other business was also agreed, to allow for discussion of the Committee’s annual country visit.

5. With these changes, the Committee adopted the agenda for its seventy-fourth session.

B. Draft minutes of the seventy-third session of the Evaluation Committee

6. The Committee discussed document EC 2012/74/W.P.2, which contained the minutes of the seventy-third session of the Evaluation Committee for approval by members. The Committee approved the minutes without further changes.

C. Annual Report on Results and Impact of IFAD Operations

7. The Committee considered document EC 2012/74/W.P.3, the tenth ARRI prepared by IOE, along with the written response from IFAD Management.

8. Members commended IOE for a well-prepared document and voiced their appreciation for the written comments provided by Management. Notably, Management also expressed its satisfaction with this year’s edition of the ARRI.
9. The Committee remarked on the various new features in this year’s ARRI, including the identification of the main performance trends and patterns over the past decade; an examination of important and persistent issues of continuing concern to the organization; benchmarking of IFAD’s performance both internally and externally; and a learning section on policy dialogue. Committee members emphasized that capacity-building and empowerment at the grass-roots level were critically important for enhancing national-level dialogue.

10. During the ensuing discussions, one Committee member noted that IOE needed to respond to the methodological issues brought up in Management’s response. With regard to policy dialogue, members underlined the need to review the contribution made by IFAD at governmental and grass-roots levels. IOE stated that the ARRI already dealt with this aspect to a certain extent, but that, subject to Executive Board approval, it would undertake a CLE on policy dialogue next year. This would provide an opportunity to examine the topic in greater depth and reflect on what policy dialogue actually meant for IFAD, as definitions and understanding of the concept varied widely within the organization. It was emphasized that IFAD’s policy dialogue engagement with governments should be anchored in project-based evidence and that IFAD should draw on its experience to advise governments on pro-poor policy and strategy development in the agriculture sector.

11. IOE clarified that it had selected the six issues examined in depth in the ARRI (sustainability, targeting, efficiency, management, monitoring and evaluation (M&E), and performance of government) after having reviewed all past ARRI editions to identify issues that were of continued interest to IFAD and that would need greater attention in the future. It also had focused on areas where performance continued to remain a challenge.

12. The Committee remarked that the tables showed only positive evaluation ratings and reiterated the need to show all six rating categories in the graphs. It also noted that concentrating exclusively on economic efficiency in the context of fragile states might not be sufficient; social and human development should also be taken into account.

13. The Committee expressed concern about underperforming M&E systems. Management pointed out that this was a common issue among development agencies and institutions, and that IFAD had addressed the problem by ensuring that every new project included an M&E strategy from the outset and that all supervision missions examined M&E performance.

14. On benchmarking, the Committee acknowledged IOE’s efforts in measuring IFAD’s performance against the World Bank’s and the Asian Development Bank’s. IOE explained that, to the extent possible, it was applying the same evaluation criteria as these institutions, and used only data related to the agriculture and rural development operations of the two institutions. It also informed the Committee that no equivalent time series data were available from the African Development Bank, apart from the data collected in connection with the Joint Evaluation of the Agriculture and Rural Development Policies and Operations in Africa undertaken by the African Development Bank and IFAD in 2009.

15. With regard to sustainability, IOE emphasized the need to have realistic objectives, taking into account country context and country institutional capacity when designing projects. Sustainability should be a priority from the outset of the project and remain so throughout implementation.

16. The Committee highlighted the importance of ensuring country ownership. In this regard, IOE noted that a series of questions related to this issue were used in assessing government performance during project and country programme evaluations.

17. Regarding the age of projects, Management noted that, compared with the previous edition’s cohort, this ARRI’s cohort included a larger number of projects
designed in the 1990s. It also included a large number (eight) of projects no longer in IFAD’s supervision portfolio. On this latter point, Management sustained that because the RIDE was centred on projects currently under supervision, it gave a more precise picture of the performance of IFAD’s current project portfolio. IOE noted, however, that 11 projects had closed recently (between 2009 and 2011) and four were ongoing. Moreover, even projects designed 10 years ago should be exposed to fine-tuning during implementation to ensure their continued relevance.

18. In response to Management’s comments, IOE stated that it would work with PMD to harmonize the age of the selected projects to the extent possible to enable comparison, beginning next year.

19. Management also pointed that some recent operations were performing better than reported in the ARRI. There were various reasons for this, including: (i) adoption of IOE recommendations stemming from CPEs and the ARRI; (ii) a comprehensive quality assurance process; (iii) introduction of direct supervision and implementation support arrangements; (iv) country presence; and (v) involvement of the Executive Board and Evaluation Committee, which were providing guidance and oversight, and strengthening the evaluation learning loop.

20. A Committee member raised the issue of the proposed capping of the length of Executive Board documents and asked if this would affect reports such as the ARRI. The Secretary responded that this matter would be discussed at the upcoming Board session and that the Committee’s feedback on this matter was most welcome.

21. Finally, IOE agreed to include, in the next edition of the ARRI, strategic recommendations for programmes that could further improve IFAD’s development effectiveness.

D. Report on IFAD’s Development Effectiveness

22. The Committee welcomed the sixth edition of the RIDE, together with IOE’s comments on it. It expressed its satisfaction with the well-prepared report and underlined the need to explore the possibility of communicating the positive results emerging from the RIDE to external audiences. Members requested that succinct notes – one for the RIDE and one for the ARRI – be prepared to communicate these achievements to decision makers and policymakers. At the same time, they stressed that the RIDE needed to highlight and analyse the reasons for success and address areas where targets had not been fully met.

23. The Committee agreed with IOE’s comments on the RIDE, particularly regarding the need to disaggregate the overall “satisfactory” rating to show the number of projects falling into the moderately satisfactory category. IOE suggested that, in the future, the RIDE should disaggregate the results reported in the categories of moderately satisfactory, satisfactory and highly satisfactory, rather than considering projects to be satisfactory if they fell in the range of moderately satisfactory or better. This would not only give Management and governments a better understanding of which projects performed well but would also allow them to devote more attention to addressing the factors that had led to a moderately satisfactory performance, with the ultimate aim of increasing the proportion of satisfactory or highly satisfactory projects.

24. The Committee also supported the proposal that, when available, CPEs should be provided along with the related RB-COSOPs when these were presented to the Board for discussion. Discussing the CPEs in the Board would further strengthen IFAD’s institutional evaluation learning loop while allowing Board members to provide more informed feedback on the corresponding RB-COSOPs tabled for their consideration.

25. The Committee noted Management’s response that not all projects reported on the quantitative outputs. This was because some projects were cofinanced and did not
report using IFAD’s methodologies; and some reports suffered from quality issues and were therefore eliminated. Extrapolation was now based on 70 per cent actual reporting, which gave reliable results.

E. Country programme evaluation of Nepal


27. The Committee commended IOE for a quality evaluation; it also acknowledged the good collaboration between IOE and PMD in undertaking this important exercise. PMD stated that it concurred with the report’s conclusions and recommendations, underlining that preparation of this CPE had been a participatory process from the outset.

28. Several Committee members requested further information on weaknesses in donor coordination, shortcomings in the area of rural finance and the possibilities of improving that situation, partnerships with other donors, and inclusion of local organizations and grass-roots groups in the policy dialogue process.

29. The Committee also expressed interest in knowing more about the sustainability of the country programme, the geographical distribution of IFAD-funded programmes and how PMD planned to incorporate CPE recommendations into the next country programme.

30. Members emphasized that it was important for evaluations to capture the successful scaling up by others of innovative approaches promoted through IFAD-funded operations. IOE agreed with this observation.

31. IOE and PMD explained that fragmentation in donor coordination and weak partnerships were partly driven by the highly volatile country situation and political uncertainties. PMD noted that weaknesses in the rural finance portfolio would be addressed in the future by incorporating lessons learned from past experience and linking them to the CPE conclusions. As for empowering local groups through inclusion in policy dialogue, it was remarked that the ongoing preparation of the agricultural development strategy for Nepal (led by the Asian Development Bank and cofinanced by IFAD) included farmers’ organizations and local consultations, as recommended earlier by IFAD. PMD plans to address weaknesses in staffing and project management by setting up a country programme support unit.

32. The Committee was informed that the CPE national round-table workshop was planned for January 2013 in Nepal. Following the workshop and the adoption of the agreement at completion point, PMD would proceed to finalize the next RB-COSOP, in line with the main recommendations of the CPE, for presentation to a 2013 session of the Executive Board.

F. Corporate-level evaluation: Assessment of IFAD’s institutional efficiency and efficiency of IFAD-funded operations – preliminary findings

33. Under this agenda item, IOE made a PowerPoint presentation on the preliminary findings of the evaluation. The presentation did not include evaluation recommendations, however, as IOE was still finalizing these based on Management’s comprehensive written comments on the interim report. IOE noted that the report was based on robust evidence and that the proposed recommendations were clearly anchored in the conclusions, which drew on the main findings in different areas. This was in line with international good practice and would ensure the report’s credibility. The aim of the presentation was to generate initial debate and capture the Committee’s and Management’s feedback – to be considered by IOE in preparing the final evaluation report.

34. As initial feedback, Management expressed concern about IOE’s proposal to change the system for rating the results of IFAD-funded programmes and operations. It
also noted the clear budget constraints that could limit further strengthening of performance in areas such as information and communication technologies. Finally, it encouraged the evaluation team to analyse possible trade-offs between strengthening project performance and improving non-lending activities.

35. The Committee expressed its appreciation for the presentation. It made specific observations on benchmarking; on the most appropriate indicators for assessing IFAD’s institutional efficiency and the efficiency of governing bodies, including the periodicity of cost-benefit assessment; and on the process for finalizing the report.

36. In response to the Committee’s observations, IOE reassured members that additional efforts would be devoted to these issues during preparation of the final report. It also emphasized the challenges it was facing in developing the methodology for such a far-reaching and complex evaluation. No other multilateral or bilateral organization had ever attempted a comparable evaluation so there were no precedents to guide the work. Collecting data in diverse areas from a variety of sources was also quite difficult.

37. IOE made known that the final report would include an assessment of current institutional efficiency indicators, and that any recommendations on this item would be contained, as appropriate, in the report.

38. While stating that benchmarking presented challenges, IOE explained that multilateral development banks (MDBs) had been selected as the main comparators because their operating model and governance structure were similar to those of IFAD. Both MDBs and IFAD extended loans for projects executed by recipient governments. Moreover, IFAD’s evaluation methodology was largely harmonized with that of the MDBs, so the results were comparable. At the same time, the Committee noted that Rome-based agencies – the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) – were also considered as comparators.

39. The Committee requested that recommendations formulated in the final report be prioritized.

G. Evaluation synthesis of the results-based country strategic opportunities programme

40. The Committee welcomed the synthesis report on the RB-COSOP, which it discussed at length.

41. While expressing its appreciation for a very good report based on an interactive process, the Committee made a number of observations, which are summarized below together with additional clarifications provided by IOE and IFAD Management.

42. Some Committee members enquired whether a CPE could be carried out before every new RB-COSOP was reviewed by the Board. IOE explained that, given current human and financial resources, this would not be feasible. IOE would, however, continue to work on some five to seven CPEs per year. It also encouraged Management to introduce RB-COSOP completion reviews for all countries, which could then be validated by IOE, as was the current practice for project completion reports. IOE noted that the introduction of COSOP completion validations would further harmonize IFAD’s independent and self-evaluation system with MDB practice.

43. The Committee noted that the RB-COSOP remained a key tool for country programming, including policy dialogue, and that IFAD staff skills and resources in this area required strengthening. Members also underlined the need to modify RB-COSOPs’ ambitions in the light of actual resources available.
44. Pointing out that the new RB-COSOP guidelines were to be revised in 2014, the Committee encouraged IFAD to review the current guidelines and to streamline and simplify them as soon as possible.

45. Members advised caution in decisions not to prepare an RB-COSOP in countries where only one operation was foreseen in a performance-based allocation system (PBAS) cycle. In particular, exceptions should be allowed in cases where funding from the Spanish Food Security Cofinancing Facility Trust Fund, the Adaptation for Smallholder Agriculture Programme or other major donor cofinancing was involved.

H. Briefing on selected aspects of IOE methodology

46. At their request, IOE briefed Committee members on selected aspects of its evaluation methodology, which is based on the IFAD Evaluation Manual. Management expressed its appreciation to IOE for taking the initiative to engage in a dialogue on methodology and to find ways to improve its application in future evaluations.

47. The Committee welcomed the presentation, which gave them a better understanding of the evaluation methodologies and techniques used by IOE. Noting that the manual was cutting edge and addressed the main concerns raised by Management and the Committee, they emphasized the need for a more coherent application of its methodologies to IOE evaluations in the future.

48. In reply to a specific question, IOE informed members that it not only planned to increase the number of its own impact evaluations, but would also support Management in undertaking impact evaluations in the context of the commitment made during the Consultation on the Ninth Replenishment of IFAD’s Resources to undertake 30 impact evaluations.

49. Discussion then turned to the evaluation manual. IOE pointed out that the current manual was designed in 2008 and that since then much fine-tuning had occurred particularly as a result of the 2010 Peer Review of IFAD’s Office of Evaluation and Evaluation Function. In 2011, for instance, IOE had transformed its approach to project evaluation, issuing separate guidelines for project completion report validations and project performance assessments, and introducing additional evaluation domains and indicators, such as scaling up, gender equality and climate change. The Committee agreed that a new edition of the evaluation manual was needed to reflect evolving trends both within and outside IFAD, and that this task should be led by the new Director, IOE.

50. In response to another question from the Committee, IOE summarized its efforts to work with the FAO and WFP evaluation offices, and reassured the Committee of its commitment to intensify such collaboration. The Committee noted joint activities undertaken thus far and foreseen in the future, and underlined the need for further dialogue and exchange between the evaluation offices of the three Rome-based United Nations organizations, when relevant.

51. The Committee asked IOE to provide more information on how the selection of consultants ensured that they brought diverse experiences to IFAD, taking into account the Fund’s specific mandate and requirements. IOE noted that its consultants management working group was addressing this issue, and would intensify its efforts in this regard.

52. IOE briefed the Committee on its efforts to reduce inter-evaluator variability, informing them that an international expert would be asked to review a selection of forthcoming evaluation reports, and to distill lessons and cross-cutting issues from them for IOE’s consideration. The expert would be invited to brief IOE on methodology issues in 2013, and Committee members would also be invited to an exchange with the expert.
53. The Committee stressed the importance of redoubling efforts to assess economic efficiency in IOE evaluations. IOE noted that the manual’s indicators for assessing economic efficiency were consistent with the “Good Practice Standards for the Evaluation of Public Sector Operations” issued by the Evaluation Cooperation Group in 2012. However, data limitations in IFAD-funded projects often did not permit recalculation of the economic internal rate of return. These cases required the use of proxy indicators of efficiency, including implementation costs (e.g. the costs of project management as a proportion of the total loan amount). In any case, IOE informed that it would make the required efforts to ensure better economic efficiency analysis in the future.

54. On evaluation and hindsight, IOE informed members that there were cases when it might suggest that not all evaluation criteria should be covered in the project/country programme being evaluated. This would only occur after it had taken into account the objectives of the project/country programme being evaluated, the availability of data, and the prevailing development thought at the time of design. Management and governments would then provide their comments on the draft approach paper at the outset of the evaluation, and would come to an understanding with IOE on which criteria could be excluded from consideration in the corresponding project evaluation or CPE.

55. Finally, the Committee noted that a large number of ratings were clustered around moderately satisfactory and moderately unsatisfactory, and that evaluators should be encouraged to use (as appropriate) the entire six-point rating scale in evaluating project and country programme performance.

I. Provisional agenda of the Evaluation Committee for 2013

56. The Committee discussed the proposed agenda for 2013.

57. A Committee member requested postponing the seventy-fifth session of the Evaluation Committee, originally scheduled for 4 February 2013, by a few days to ensure participation by Ambassador Jostein Leiro, the representative of Norway and chair of the search panel for recruitment of the new Director, IOE.

58. Other Committee members requested that the seventy-seventh session of the Evaluation Committee, originally scheduled for mid-July 2013, be anticipated to late June 2013 to ensure their participation in deliberations.

59. In noting that the scheduled duration of each Committee session in 2013 is nearly two full days, it was suggested that IOE consider not presenting project performance assessments. This would be consistent with the aim of focusing discussions on strategic evaluations, e.g. CLEs and CPEs.

60. IOE suggested that the draft approach paper of the impact evaluation, which it planned to conduct in 2013, be presented to the seventy-sixth session of the Evaluation Committee, in April 2013, to which the Committee agreed.

61. IOE provided members with the names of all consultants mobilized for the efficiency evaluation and, at the Committee’s request, promised that it would also share these consultants’ curricula vitae with the Committee. The Committee underlined the gender imbalance in the CLE efficiency team. IOE noted that this was an unusual case, but in any event, it committed to making serious efforts to ensure that more women were hired as consultants in evaluations.

62. The Committee discussed when the CLE on efficiency would again be considered:

   (a) Members of List A requested on behalf of their list that the report and Management’s response be shared with the Committee at the meeting scheduled for the beginning of February at the latest.
(b) IOE underlined that the IFAD Evaluation Policy required that the report be shared with Management for comments prior to being finalized, and suggested that it could be shared (unedited) at the end of February or beginning of March.

(c) Management noted that the evaluation should follow the due process established for all evaluations, in terms of the early feedback process between IOE and Management, before the final report was released.

(d) Committee members from List A indicated their agreement with IOE’s proposal. However, they stipulated a condition that, should a member of the Executive Board request a copy of the draft final report after 7 January when it would be provided to IFAD Management, it would be provided on the understanding that the document should remain strictly confidential.

(e) On this latter point, Management noted that legal advice would have to be sought and that it would revert after further consideration. The issue would be referred to the December 2012 session of the Executive Board.

J. Other business

(a) **Appointment of the Director, IOE.** The Committee Chair provided, in a closed session, an oral update on progress made in the selection process for the new Director.

(b) **Evaluation Committee’s annual country visit.** The Committee agreed that:

   (i) The Board should decide the destination of future annual visits.
   
   (ii) Country visits would comprise nine members: four from List A, two from List B and three from List C.
   
   (iii) Visits would also be open to participation by Executive Board members who were not members of the Evaluation Committee.
   
   (iv) It would be up to the Lists to decide who would participate on behalf of each list.
   
   (v) Visits would be fully funded by IFAD and efforts would be made to keep costs low to the extent possible.
   
   (vi) A maximum of three additional members of the Executive Board who were not members of the Evaluation Committee would accompany country visits on a self-financing basis.
   
   (vii) The above new rules for the annual country visit would apply from 2014 onwards. They would not affect the 2013 planned country visit of the Evaluation Committee to Viet Nam.

63. Management recalled that the financial implications of the above proposal would have to be assessed against the overall efforts to lower costs in cluster 4 of IFAD’s annual administrative budget following discussion at the Executive Board’s December 2012 meeting.

64. To conclude, the Committee expressed deep gratitude to the outgoing representative of Canada, Ms Ann Adair Heuchan, Minister Counsellor, Deputy Permanent Representative of Canada to the United Nations food and agriculture agencies in Rome, for her incisive and insightful inputs and the constructive cooperation provided during Committee sessions. The Committee was joined by IOE and Management in its appreciation and recognition of the overall excellent contribution made by Ms Heuchan to the work of the Committee over the past three years.