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Investing in rural people

Minutes of the eighty-third session of the Evaluation Committee

Note to Evaluation Committee members

Focal points:

Technical questions:

Kees Tuinenburg
Officer-in-Charge
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: k.tuinenburg@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

Evaluation Committee — Eighty-fourth Session
Rome, 2 July 2014

Minutes of the eighty-third session of the Evaluation Committee

1. These minutes cover the deliberations of the Evaluation Committee during its eighty-third session held on 2 June 2014. All Committee members attended the session, namely from: Angola, Finland, France, India, Indonesia, Mexico, the Netherlands, Nigeria and Norway. Observers were present from China. The Committee was joined by the Acting Associate Vice-President, Programme Management Department (PMD); the Officer-in-Charge, Independent Office of Evaluation of IFAD (IOE); the Secretary of IFAD (SEC); and other IFAD staff.

2. The provisional agenda contained eight items for discussion, as follows: (i) opening of the session; (ii) adoption of the agenda; (iii) minutes of the eighty-second session of the Evaluation Committee; (iv) Evaluation synthesis on IFAD's engagement in middle-income countries; (v) Country programme evaluation for Madagascar; (vi) Project performance assessment of the Rural Poverty Reduction Programme in Mongolia; (vii) Report of the search panel for the selection of the Director, Independent Office of Evaluation of IFAD; and (viii) other business.

Agenda item 2: Adoption of the agenda

3. The agenda was adopted without amendment. During the session, **the Committee decided, given the time constraints, that the Project performance assessment of the Rural Poverty Reduction Programme in Mongolia would be considered by the Committee at its eighty-fourth session on 2 July.**

4. With regard to the agenda of the eighty-fourth session, the Committee noted that **consideration of the corporate-level evaluation on the IFAD Policy for Grant Financing would be deferred to the eighty-fifth session, scheduled for October 2014**, to allow for more time to finalize an evidence-based evaluation report.

Agenda item 3: Minutes of the eighty-second session of the Evaluation Committee

5. **The minutes contained in document EC 2014/83/W.P.2 were adopted without amendment.**

Agenda item 4: Evaluation synthesis on IFAD's engagement in middle-income countries

6. The Committee considered the Evaluation synthesis on IFAD's engagement in middle-income countries contained in document EC 2014/83/W.P.3.

7. The Committee thanked IOE for a thought-provoking evaluation and noted Management's oral response and agreement with the findings. In this light, while some members expressed the wish that concrete recommendations be drawn from the document and that an official Management response be provided, other members did not feel the need for this. IOE clarified that under the existing rules related to the preparation of synthesis studies, such recommendations and a written Management response thereto were not envisaged.

8. Some members agreed that the classification of middle-income countries (MICs), upper-middle-income countries (UMICs), lower-income countries (LICs) and fragile states was a difficult exercise and that GNI per capita alone was not a sufficient basis on which to define national contexts. As such, a differentiated strategy to MICs and among MICs was essential. Management concurred, indicating that tailored approaches would be addressed in individual country strategic opportunities programmes (COSOPs) as a result of strategic discussions.

9. While noting the significant proportion of the portfolio dedicated to MICs, Management reiterated that operations in these countries were undertaken in underdeveloped and often fragile regions, and that investments generally sought to

enhance national capacity and institutional and policy frameworks. Some members noted that the prevalence of poverty in MICs made IFAD's intervention in these countries relevant to IFAD's mandate. Members underscored the need for more in-depth discussion regarding which concrete interventions were envisaged, which tools were most appropriate, and how changes to implementation modalities would be approached. Management made reference to annex II of the business model paper[1] submitted to the second session of the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10), which presented Management's approach to MICs and would serve as a basis for further deliberations.

10. Members identified a number of key strategic areas related to IFAD's engagement in MICs, going forward, that merited further discussion: (i) income inequality in MICs and the need for engagement in related policy dialogue; (ii) the level of domestic cofinancing, contributed by UMICs in particular; (iii) the need for mobilization of alternative sources of financing, as well as methods for engagement with the private sector; (iv) the balance between, and the nature of lending and non-lending activities, as well as the use of tools such as reimbursable technical assistance; (v) the issues of enhanced thematic and country selectivity, in light of the findings of the corporate-level evaluation on IFAD's institutional efficiency and the efficiency of IFAD-funded operations; (vi) the best method to ensure the additionality of IFAD resources in combination with the access of MICs to commercial markets; (vii) poverty targeting; (viii) the sustainability and scalability of IFAD's interventions in MICs; (ix) ensuring investment in innovative approaches to demonstrate their potential and encourage adoption, as well as their subsequent scaling up to maximize impact; (x) encouraging ownership and broader and deeper partnerships; (xi) consideration of the performance-based allocation system (PBAS); (xii) the importance of capacity development as a means of enhancing, inter alia, sustainability and scaling up; and (xiii) possible adaptation of lending terms.

11. An observer suggested that IOE undertake further studies on non-lending activities, South-South and triangular cooperation, and the PBAS. This proposal was also supported by some Committee members. An observer referred to the need to consider the best means for IFAD to fulfil its mandate, as recorded in the Agreement Establishing IFAD, namely "to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States", and noted that "developing Member States" included middle income countries.

12. In order to structure the discussion on IFAD's role in MICs, some members requested that IOE prepare an annex to group together relevant issues.

13. In response to the observation that many of the issues raised might be addressed in a policy update, it was clarified that while there was no commitment to present an updated policy to the Board, the Board was normally kept abreast of IFAD's engagement in MICs. Members pointed out that a policy update could serve to address some of the issues raised. Furthermore, IOE should comment on such a policy update. Other members felt that such a policy update was not necessary at this point in time.

14. **The Committee noted the synthesis and looked forward to continued discussions within the context of the second session of the IFAD10 Consultation.**

Agenda item 5: Country programme evaluation for Madagascar

15. The Committee considered the country programme evaluation for Madagascar, as contained in document EC 2014/83/W.P.4. **Members thanked IOE for a high-quality report and welcomed the findings, including the positive**

[1] IFAD10/2/R.3

performance of the programme notwithstanding the period of political instability.

16. The need to ensure more simplified project design and to enhance the focus on the environment – in particular with respect to soil and water conservation was noted. Recalling the positive innovative feature of undertaking and embedding monitoring and evaluation at the country strategy level in Madagascar, Management advised the Committee that this practice would continue in the new COSOPs under preparation, which was scheduled for presentation to the December Board. Furthermore, the feasibility of applying such an approach to all COSOPs would be explored.

17. With respect to the promotion of gender equality and women's empowerment, it was clarified that women tended to have greater visibility at the grass-roots level; however, efforts were being made, including through the provision of a country-specific grant, to develop models for promoting women's leadership in grass-roots-based organizations such as cooperatives and water-users' organizations.

18. The issue of state support to the promotion of microenterprises involving the use of subsidies was discussed, with some members questioning the necessity and sustainability of such support.

19. Noting that partnership was a criterion that was considered in all evaluations, some members requested additional information on collaboration among the Rome-based agencies (RBAs) at field level. Management advised that IFAD pursued partnership and collaboration both with international financial institutions, particularly with a view to mobilizing cofinancing, and also with the RBAs. Given that the period evaluated was one of relative inactivity by other partners in-country, it had been difficult to assess collaboration in this context. The IFAD country office (ICO) was hosted by the Madagascar office of the Food and Agriculture Organization of the United Nations, and this was expected to increase opportunities for future collaboration. Further information was provided on the complementarities between the country programme support unit, CAPFIDA, and the recently established ICO. It was explained that CAPFIDA was similar to a single project implementation unit: it was financed by the Government, coordinated activities on behalf of the Government and was involved in the monitoring of all IFAD projects.

20. **In conclusion, the Committee reiterated its appreciation for the country programme evaluation for Madagascar.**

Agenda item 6: Report of the search panel for the selection of the Director, Independent Office of Evaluation of IFAD

21. This item was considered in closed session and a separate report on the Committee's deliberations and recommendation was approved for submission to the Executive Board for its consideration through vote by correspondence.

Agenda item 7: Other business

22. Under other business, IOE informed the Committee that a workshop to present the revisions to the Evaluation Manual would be held on 20 June. Committee members were welcome to participate.