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Investing in rural people

Minutes of the eighty-seventh session of the Evaluation Committee

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Minutes of the eighty-seventh session of the Evaluation Committee

1. These minutes cover the deliberations of the Evaluation Committee during its eighty-seventh session held on 30 March 2015. Mr Tazwin Hanif, representative for Indonesia, Chairperson of the Evaluation Committee, chaired the session and thanked his predecessor, Mr Agus Saptono.
2. Committee members attending the session were from France, India, Indonesia, Mexico, Netherlands, Nigeria and Norway. Observers were present from China. The Committee was joined by the Associate Vice-President, Strategy and Knowledge Department (SKD); Officer-in-Charge, Programme Management Department (PMD); Director, Independent Office of Evaluation of IFAD (IOE); Secretary of IFAD (SEC); the Deputy Director, IOE, and other IFAD staff. The Vice-President of IFAD and the General Counsel attended for the deliberations on agenda item 5. Her Excellency Amira Daoud Hassan Gornass, Ambassador, Permanent Representative of the Republic of the Sudan to the United Nations Food and Agriculture Agencies in Rome and Mr Mohamed Elghazali Eltigali Sirrag, Minister Plenipotentiary, Alternate Permanent Representative of the Republic of the Sudan to the United Nations Food and Agriculture Agencies in Rome, joined the deliberations for the project performance assessment of the Gash Sustainable Livelihoods Regeneration Project in Sudan.

Agenda item 2: Adoption of the agenda

3. The provisional agenda contained the following items: (i) opening of the session; (ii) adoption of the agenda; (iii) revision to the minutes of the eighty-sixth session of the Evaluation Committee; (iv) Corporate-level evaluation on IFAD's engagement in fragile and conflict-affected states and situations; (v) Draft approach paper on the corporate-level evaluation of IFAD's performance-based allocation system (PBAS); (vi) Policy for Grant Financing; (vii) project performance assessment of the Gash Sustainable Livelihoods Regeneration Project in Sudan; and (viii) other business.
4. Under other business, an amendment to the Provisional agenda of the Evaluation Committee for 2015, as proposed by IOE, was included in the agenda.
5. The agenda contained in document EC 2015/87/W.P.1, duly amended to reflect an additional item under other business was adopted (to be revised as EC 2015/87/W.P.1/Rev.1).

Agenda item 3: Revision to the minutes of the eighty-sixth session of the Evaluation Committee

6. The Evaluation Committee approved the minutes of the eighty-sixth session as amended by document EC 2015/87/W.P.2.

Agenda item 4: Corporate-level evaluation on IFAD's engagement in fragile and conflict-affected states and situations

7. The Committee considered the Corporate-level evaluation on IFAD's engagement in fragile and conflict-affected states and situations, together with Management's response thereto, as contained in document EC 2015/87/W.P.3 and its addendum, respectively. Presentations were made by both IOE and Management and the senior independent advisers' report was introduced.
8. Members commended IOE on this important and thorough evaluation, which had given rise to several interesting findings and recommendations. One member, recalling discussions at a previous evaluation session with respect to the need for discernment in deciding what should be translated, noted that the full evaluation report had been treated as an appendix and, as such, had not been translated. The Secretary referred to the efficiency measures approved by the Board with respect

to the application of specific word limits for various types of documents, including corporate-level evaluations, and informed the Committee that SEC was working with IOE to find ways to comply with the word limit and ensure that all necessary information was provided to Board members, in respect of the Board decision.

9. Members expressed appreciation for IFAD's enhanced performance in fragile states and situations, and encouraged Management to continue constructive relationships with IOE and carefully consider the recommendations set out in the evaluation. . The Committee was reassured that the evaluation findings offered an opportunity to learn and gather insights that would assist in the development of an IFAD strategy for engagement in fragile states, to be presented to the Executive Board in April 2016.
10. Members called on Management to take the opportunity to clarify what IFAD considers as fragile, to specify IFAD's objectives in fragile states and situations, and to elaborate a framework with the flexibility to allow for tailored responses to particular situations. Incorporation of the principle of "do no harm" into IFAD's guidelines for operations in fragile situations should also be considered, as well as the integration of principles for working with fragile and conflict-affected situations into other IFAD policies.
11. Clarification was requested with respect to the definition of fragile states used by IFAD and the rationale for the use of a larger country list than other international financial institutions, incorporating the list used by the Organisation of Economic Co-operation and Development (OECD). There was general consensus on the need to place emphasis on the concept of fragile situations and situation-based approaches. IOE reiterated that IFAD's comparative advantage needed to be tapped into with respect to the conflict dimension of fragility, and there was a need to distinguish between natural and man-made disasters.
12. There was broad acknowledgement of the need to place greater emphasis on fragility in preparing country strategic opportunities programmes (COSOPs) and during project design and implementation. Several members underlined the importance of conflict analysis in the design phase and the opportunity for inter-agency cooperation in this field. Adaptability and flexibility were also essential in the implementation phase. One member noted that the empowerment of women was key to improving performance, including with regard to efficiency and sustainability in fragile situations. Management concurred with the need for simpler COSOP and project objectives and subsequent strong implementation support. In this regard, and in line with the call for training of national counterparts, reference was made to an ongoing programme with the Food and Agriculture Organization of the United Nations (FAO) in support of project design and supervision in fragile countries, targeting the community and institutional levels through capacity development.
13. On the basis of the results of the staff survey contained in the evaluation, several members underlined the need for capacity development and guidance for staff, as well as empowerment. On the issue of specific incentives for those working in fragile situations, details were provided on the benefits and entitlements package for outposted country programme managers (CPMs), which was in line with United Nations human resource management practices and International Civil Service Commission guidelines. Reform of this package was currently under consideration by the Fifth Committee and Management would keep abreast of developments. One member also underlined the need to create incentives in terms of career paths.
14. Some members questioned why fragile states did not benefit from additional funding under the PBAS or for design and supervision of projects. IOE considered that this question should be dealt with when designing the approach to engagement with fragile states or within the framework of the PBAS. Management reiterated

that, like IDA, IFAD allocated additional financing under the PBAS to countries defined as post-conflict, but advised that funding was not necessarily a constraint as there was sufficient flexibility for CPMs, in consultation with division directors, to respond quickly when additional allocations were needed. Management also clarified that countries classified as “red” or “yellow” under the Debt Sustainability Framework (DSF) were – and continued to be – entitled to receive extra (non-DSF) country grants, within the limit of their PBAS allocations.

15. IOE clarified that in recommending prioritization of establishment of new IFAD country offices and outposting of CPMs in countries affected by fragility and conflict, this was to be considered within, and not additional to, the 50 country offices to be established by end-2015, as approved by the Board. On this note, Management advised that existing country offices provided support to programmes in neighbouring fragile states and coordinated with other agencies on the ground, including FAO, the World Food Programme and other international financial institutions. Such partnerships were also key in discussions with government and other agencies at the country level when developing COSOPs, as they helped to identify issues of fragility and where IFAD’s comparative advantage could be brought to bear. One member suggested that more discussion with WFP in terms of how to approach the issue of internally displaced persons or cross-border displaced persons would be beneficial.
16. The Committee kindly invited Management to fine-tune the response to be presented to the Executive Board at its 114th session, taking into consideration IOE’s recommendations and the views expressed by Committee members.

Agenda item 5: Draft approach paper on the corporate-level evaluation of IFAD’s performance-based allocation system (PBAS)

17. The Committee Chairperson recalled that members of the Working Group on PBAS had been invited to attend the Committee meeting, particularly in light of the discussions on this item. The Committee welcomed the Draft approach paper on the corporate-level evaluation as contained in document EC 2015/87/W.P.4., and made various comments and suggestions thereon.
18. IOE agreed to actively engage with the members of the PBAS Working Group and to provide both the Board and the working group with regular reports on the progress being made in the evaluation. The function and role of the working group would also be considered as part of the evaluation.
19. One member called for a tighter timeline, while an observer noted that consideration should be given to the impact of several upcoming initiatives (the Sustainable Development Goals [SDGs], IFAD’s strategy for engagement in fragile states, updated information on IFAD’s strategy for middle-income countries, etc.) and that quality should not be jeopardized in favour of timeliness. Management noted the desire to accommodate the timetable as far as possible, while ensuring that the exercise was conducted in the proper way.
20. Members welcomed the proposal by IOE to include a review of the performance-based allocation systems at selected comparator organizations as part of the evaluation, taking into account IFAD’s specific financial architecture and specialized mandate.
21. Special consideration was called for regarding the criteria of fragility, vulnerability (including to climate change) and gender, and the question of whether performance criteria penalized fragile states and if so, whether the needs criteria duly compensated. On the consideration of additional dimensions to reflect country needs, IOE noted that this would depend on the availability of sufficient data and committed to ascertaining whether the assumptions behind the formula matched country needs.

22. One member suggested that sustainability should be included as an additional criterion in assessing the PBAS. IOE noted that the evaluation would consider the sustainability of PBAS administration but would not include a dedicated sustainability criterion, because it would be extremely challenging to determine causal links between the PBAS and sustainability of benefits on the ground. However, it was agreed that attention to gender would be increased in the evaluation approach paper.
23. Some members requested the inclusion of comparative data pre- and post-establishment of the PBAS to assist in determining, inter alia, how effective the PBAS had been in allocating a specific share of resources to sub-Saharan Africa and to the countries most in need of resources. An observer noted the need to consider changes in Member States over time in order to make country allocations comparable over the period under review. IOE assured members that an analysis would be undertaken of the effects of changes in the formula over time and the extent to which the formula reflected IFAD's business model.
24. IOE confirmed that the evaluation would consider the issue of capping and its effects. An observer requested an analysis of the reallocation effect of the different weights given to rural population and the country ceiling. IOE confirmed that it would look at the principles applied to reallocation. A comparison of the weight given to needs versus performance, and an analysis of the pros and cons of the two-window or one-window financial structure (IFAD) would also be welcome as a means of stimulating policy debate.
25. IOE clarified that the evaluation would not propose a new formula: the objective was to generate findings that the Board may wish to consider and take forward as appropriate.
26. In conclusion, the Committee noted the draft approach paper and invited IOE to review it in light of the comments made under the item.

Agenda item 6: Policy for Grant Financing and IOE comments

27. The Evaluation Committee considered the Policy for Grant Financing contained in document EC 2015/87/W.P.5, together with IOE's comments thereon and commended both Management and IOE for the constructive and strategic dialogue that had led to the policy's development.
28. Members welcomed the intention to provide systematic reporting on performance in implementation of both the policy and grant-funded operations in the Report on IFAD's Development Effectiveness (RIDE). Clarification was requested on the implementing procedures and the corresponding responsibilities and accountabilities, including the role of the Board; and on the expected percentage of completion reports of grant projects that would be evaluated. Management clarified that the Board would continue to approve large grants and all grants to the private sector, and would have greater strategic oversight of the performance of the grant policy and operations through the RIDE. The annual guidance and specific procedures on grants would be dealt with at Management level. Implementing procedures were being drafted and would be presented to inform the Board's discussions on the Policy for Grant Financing. The procedures would provide more information on the issues raised by members, including on roles and responsibilities, quality assurance reviews, monitoring and evaluation, and knowledge management, etc. The Committee also noted that completion reports would be prepared for each and every grant. The medium-term plan (MTP) would also be important in providing an overview of the use of the US\$195 million of grant resources for the triennial period. The MTP would be shared with the Executive Board.
29. Several members sought specific examples of the change in strategic orientation with respect to the previous policy, the linkages between the new objectives and

the overall goals of IFAD, and the added value of grant financing as compared to the provision of loans. Some members requested that the focus and prioritization of the grants policy be more explicitly elaborated in the policy itself. Management clarified that the policy did not aim to provide specific detailed orientation, but rather to serve as the reference point influencing key documents for the institution, including the MTP, which would clearly link the grant programme with IFAD's strategic objectives and priorities. The grant programme was key to addressing highly significant areas such as innovation, advocacy at the global and regional levels, agricultural research and collaboration with private partners. In addition to the more robust strategic direction of the new policy, Management indicated that changes with respect to the old policy included a sharper focus and prioritization within the grants programme. Management informed the Committee that the new policy's competitive approach aimed to open up opportunities to engage with new partners and generate fresh and innovative ideas.

30. In answer to the request for specific targets and baselines in the results measurement framework and a link between performance indicators and risk assessment and management, it was noted that targets and baselines for the three-year period would be identified in the MTP and reported on subsequently.
31. Members requested enhanced and more regular communication of information and knowledge dissemination with respect to results achieved. Management confirmed that the new policy would improve knowledge-sharing through, inter alia, more publications and events. These could also be part of staff incentives, which had also been welcomed by members.
32. Members enquired about the estimated costs of implementing the policy. It was explained that the new policy would be more demanding in terms of clarity of design, implementation, knowledge products and outputs; however this did not necessarily imply additional costs. Management of the grants policy was fully part of the corporate-level efficiency and effectiveness agenda; efficiency gains were actively being sought, including through the expected implementation of an electronic platform similar to that used for quality review of loans. This represented just one step in the efforts under way to improve and streamline the quality assurance process for grants.
33. On the open competition procedure for selection of grantees, one member saw the use of the term "preferred approach" as too open to interpretation. It was noted that while open competition was the preferred option, there were, for example, some strategic partners with which IFAD engaged and where the application of a competitive approach would be irrelevant and unnecessarily burdensome.
34. Clarification was also sought on the proposed ratio of regional grants to country-specific grants. Some members agreed with IOE's view that additional resources should be allocated to country-specific grants. Historical context was provided, recalling changes made as a result of the implementation of the Debt Sustainability Framework (DSF). It was reiterated that country-specific grants continued to be allocated to red and yellow countries for activities related to, inter alia, capacity-building and policy dialogue. Management noted the emphasis on global/regional grants as a means to push agriculture research initiatives, global and regional public goods and to help the Fund to sustain key aspects of partnerships with important actors such as indigenous people and farmers' organizations in order to promote innovation through pro-poor technologies, research and capacity-building.

Agenda item 7: Project performance assessment of the Gash Sustainable Livelihoods Regeneration Project in Sudan

35. The Committee discussed the project performance assessment of the Gash Sustainable Livelihoods Regeneration Project (GSLRP) in Sudan as contained in

document EC 2015/87/W.P.6. Both Members and Management thanked IOE for the quality of the assessment report and the presentation made.

36. While several members recognized the difficulty of managing a project that spanned 10 years in a very challenging environment, one member enquired about the corrective measures that had been taken to address areas of concern. In addition, clarification was requested on the observation that more could have been done at the design phase with regard to consultation with stakeholders and institutional analysis. Management responded that consultation had been undertaken with the main players, and that learning would feed into future project design. Management recalled that the project had been designed in 2003, and that since then significant changes had occurred in the country. Management also pointed out that the project had faced layers of complex socio-economic, technical and environmental issues, including drought and climate change.
37. On the issue of land tenure, it was pointed out that during the course of the project, there had been a change in terms of the access and distribution of land; however, despite the difficulties, the project had yielded many benefits for the communities in the area. Management explained that one issue with the project was the fact that infrastructure improvement had taken place rapidly, while land tenure reform had not followed at a similar pace. IOE suggested that IFAD should engage with the Government to progress on land tenancy reform, possibly through dissemination of knowledge gained, including among tribal chiefs, noting that unless there was buy-in from these stakeholders progress would be hindered. The project team added that land tenure was a highly sensitive issue and should be approached with care. Dissemination of knowledge generated by GSLRP would benefit any attempts to build on the project in the future.

Agenda item 8: Other business

38. Following a proposal by IOE, the Committee approved the following changes to the Committee's workplan for 2015, subject to confirmation of the feasibility of said changes by the Programme Management Department:
- (a) the performance assessment of the Support Project to the Strategic Plan for the Transformation of Agriculture in Rwanda to be discussed at the Committee's eighty-ninth session on 9 October 2015;
 - (b) the country programme evaluation for the United Republic of Tanzania to be considered at the Committee's eighty-eighth session to be held on 26 June 2015; and
 - (c) the country programme evaluation for Bangladesh to be included as an additional item on the agenda of the eighty-ninth session of the Evaluation Committee in October 2015.