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Comments of the Independent Office of Evaluation of IFAD on the synthesis of the lessons learned from the IFAD9 Impact Assessment Initiative

Note to Evaluation Committee members

Focal points:

Technical questions:

Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: o.garcia@ifad.org

Fabrizio Felloni
Lead Evaluation Officer
Tel.: +39 06 5459 2361
e-mail: f.felloni@ifad.org

Simona Somma
Evaluation Officer
Tel.: +39 06 5459 2124
e-mail: s.somma@ifad.org

Dispatch of documentation:

Alessandra Zusi Bergés
Officer-in-Charge
Governing Bodies Office
Tel.: +39 06 5459 2092
e-mail: gb_office@ifad.org

Evaluation Committee — Ninety-first Session
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Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on the Synthesis of the Lessons Learned from the IFAD9 Impact Assessment Initiative

Note to Executive Board representatives

Focal points:

Technical questions:

Oscar A. Garcia
 Director
 Independent Office of Evaluation of IFAD
 Tel.: +39 06 5459 2274
 e-mail: o.garcia@ifad.org

Fabrizio Felloni
 Lead Evaluation Officer
 Tel.: +39 06 5459 2361
 e-mail: f.felloni@ifad.org

Simona Somma
 Evaluation Officer
 Tel.: +39 06 5459 2124
 e-mail: s.somma@ifad.org

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Alessandra Zusi Bergés
 Officer-in-Charge
 Governing Bodies Office
 Tel.: +39 06 5459 2092
 e-mail: gb_office@ifad.org

Executive Board — 117th session
 Rome, 13-14 April 2016

For: Review

Comments of the Independent Office of Evaluation of IFAD on the Synthesis of the Lessons Learned from the IFAD9 Impact Assessment Initiative

Background

1. In adopting the Report of the Consultation on the Ninth Replenishment of IFAD Resources (GC 35/L.4) in February 2012, the Governing Council decided to enhance IFAD's corporate results measurement framework (RMF) by including two major new indicators and targets: (i) people moved out of poverty: 80 million; and (ii) people receiving services from IFAD-supported projects: 90 million.
2. In addition, and in order to strengthen the assessment of impact, other new indicators were introduced to the RMF, including: (i) household asset ownership index, as a proxy for the income of the target group households; (ii) length of the hungry season, as a measure of food security of the target households; and (iii) child malnutrition, as a measure of nutrition security of target group individuals.
3. To measure and report on performance vis-à-vis the above indicators and corresponding targets, the Governing Council decided that IFAD Management would "Conduct, synthesize and report on approximately 30 impact surveys over the IFAD9 period" (2013-2015). The report under consideration by the Executive Board at its 117th session, prepared by IFAD Management, entitled Synthesis of the lessons learned from the IFAD9 Impact Assessment Initiative aims to respond to the aforementioned commitments.

General comments

4. The Independent Office of Evaluation of IFAD (IOE) commends IFAD Management and its Member States for making the above bold commitments, in particular setting a corporate target for the number of people moved out of poverty. This is a reflection of the organization's increasing attention to promoting transparency and to measuring and reporting on results achieved through its development interventions. It is also an indication of the Fund's resolve to systematically learn from its operations in order to improve the design and implementation of ongoing and future operations.
5. IOE takes note that Management prepared and shared an information note in December 2012 with the Executive Board on Methodologies for impact assessment in IFAD9. It also produced, in 2014, an impact evaluation sourcebook as a key guidance document for IFAD staff and concerned stakeholders. Dialogue and cooperation with IOE have also been strengthened, especially to draw upon IOE's experience and technical expertise in conducting ex post impact evaluations.
6. Having carefully followed the IFAD9 Impact Assessment Initiative, and based on a thorough review of Management's synthesis report, IOE raises the following issues that merit reflection and discussion as IFAD moves forward in further consolidating its efforts in conducting rigorous impact assessment.

Areas for further reflection

7. Focus and evidence base of the synthesis report. IOE welcomes the synthesis report, as it offers a unique opportunity to discuss the results that are being achieved through IFAD interventions, and the methodological opportunities and challenges involved in rigorously assessing and reporting on impact. In particular, the report provides a good account of the selection of projects, the limitations in the availability of data and the challenges in attributing impact, especially in the agriculture sector. IOE wishes to indicate some additional areas that could have further enriched the synthesis report.

8. First, the report underlines that 139 million beneficiaries have received services through IFAD-funded projects. This is well beyond the target of 90 million people set for the IFAD9 period, which is a positive result. However, the report would have benefited from additional clarification (e.g. whether the overall number of people reached includes both direct and indirect beneficiaries) and more information on the quality of data underpinning the analysis.
9. The report also notes that 43.2 million rural people saw substantial increases in agricultural revenue, significant gains in poultry ownership (28.8 million) and an increase in livestock assets (22.8 million), and 10 million beneficiaries experienced increases in each of the following areas: productive assets, gender, dietary diversity and reduction in shock exposure. While IOE notes that poverty is a multidimensional, complex and intertwined phenomenon, it would have been useful if the report had also provided an estimate of the number of people moved out of poverty, using the internationally recognized poverty line of US\$1.25 per day.
10. Table 3 provides an overview of the estimated impact on beneficiaries in percentage terms across six impact domains (economic mobility, resilience, nutrition, agriculture, livestock and gender) compared to the control group. Within the six impact domains, the document presents data on: (i) household asset ownership, by assessing the overall asset index, durables assets index and productive asset index; (ii) nutrition, by assessing dietary diversity; and (iii) agriculture, by including data on agricultural diversity, revenue and yields. However, it does not report on two specific indicators, namely "length of hungry season" and "child malnutrition", which are key dimensions in promoting better livelihoods among rural poor people and are at the core of IFAD's objective of promoting sustainable and inclusive rural transformation. In sum, the synthesis report has not explicitly reported on three of the new indicators agreed with Member States in February 2012.
11. Second, in section III, the synthesis report provides a good account of lessons on methods. These will be useful as IFAD moves forward in designing and implementing impact assessments in the IFAD10 period and beyond. However, the document would have benefited from the inclusion of a section on systemic issues, good practices and lessons on the proximate causes for good or less than good performance in IFAD's development interventions. Moving forward, this will be essential to the fulfilment of the learning objective of the impact assessment initiative: improved development effectiveness.
12. Third, notwithstanding the fact that table 1 provides an overview of the list of projects covered in the impact assessment initiative, the relatively limited supporting evidence contained in the synthesis report does not allow for an informed assessment of the robustness of the methodology or the estimates and projections of impact contained in part B, section III. For instance, the average sample sizes of the individual studies are not reported and the statistical methods for impact attribution are not summarized; techniques for extrapolation are not adequately described, nor are individual studies cross-referenced as and where appropriate. Moreover, no reference is made to the quality assurance process followed to assess the outcomes of the impact assessments conducted. Finally, moving forward, it would be useful for Management to consider disclosing the individual studies, which would be of benefit to a wider audience.
13. Conceptual issues. Part A, section II provides a useful account of conceptual issues surrounding ex post rigorous impact assessments, in particular the attribution of impact. It describes the concepts of treatment and control groups, and notes that "attribution to an IFAD intervention is possible because the treatment and control groups are alike in all ways except that the treatment received the project". However, based on IOE experience in conducting impact evaluations, there are two other dimensions that could affect the control group,

which need to be factored into the design and methodology for attributing impact. These relate to the concepts of “spill-over” and “contamination”.

14. Spill-over refers to the fact that communities not covered by the project might also indirectly benefit from project interventions, for example by farmer-to-farmer contact. Contamination refers to the fact that other development interventions (such as similar agriculture projects funded by other development partners or the government) might cover members of the control group, thus mimicking the type of inputs provided to the treatment group by an IFAD intervention. These aspects need to be isolated – to the extent possible – using specific techniques during data collection and analysis to more robustly attribute impact to an IFAD operation.
15. Project completion reports. The IFAD9 impact assessment synthesis report relies also on project completion reports (PCRs), by undertaking a systematic “content analysis” to identify the claims made of project success. IOE notes that PCRs are critical components of IFAD’s self-evaluation system, and Management has made recent efforts to streamline their production, including assignment of ratings to the various evaluation criteria covered therein. Efforts are also being made to improve the underlying quality assurance process of the final deliverables. However, the effects of these recent measures are likely to be seen only in future PCRs.
16. Following the introduction of the revised IFAD Evaluation Policy (2011), IOE has validated all PCRs, and has included a section on assessing their overall quality using four indicators: scope, quality of data and methods, lessons and candour. On the whole, IOE validations find that the quality of PCRs produced is highly variable and there is much scope for improvement. In fact, the 2015 Annual Report on Results and Impact of IFAD Operations (ARRI) notes that “...challenges in the production of PCRs remain, including in the quality of data used, focus on outputs rather than outcomes, and inconsistency between narrative and ratings.” The point is that the content analysis presented in the synthesis report needs to be considered with caution, taking into account the varying quality of PCRs produced in the past.
17. Discussion and interpretation of key findings. Table 3 presents findings on six impact domains and 16 indicators. However, the report would have been enriched by a more thorough explanation of the nature of data and interpretation of the findings. In particular, the report could have better discussed whether the estimated average effects of the overall project sample can be considered “sizeable” and against what benchmark.
18. With regard to gender equality and women’s empowerment, IFAD has a decisive track record and comparative advantage in promoting gender equality and women’s empowerment in all regions, as also confirmed by IOE evaluations. Table 3 of the report provides an estimate of the impact on gender using “gender dimensions” as the sole outcome indicator. However, the report does not illustrate which dimensions were covered, nor does the report treat gender in any particular manner. This area would therefore deserve added attention in future impact studies and synthesis reports.
19. Accountability and learning. The report underlines that “future impact assessment should be selected and structured to facilitate and maximize learning. This implies purposefully selecting projects where learning is likely to be greatest...”. IOE concurs that it is fundamental to maximize learning opportunities from impact assessment to allow lessons to inform project design and implementation for better impact.
20. At the same time, IOE underlines the importance of ensuring the required balance between promoting accountability and learning in selecting projects for impact assessments in the future. Measuring and reporting on results (i.e. the

accountability dimension of evaluation) is not only a prerequisite for generating learning, but also serves to enhance the credibility of the Fund as an organization with a steady focus on transparently measuring and reporting on its results. Hence, the selection of projects for future impact assessment should strike the right balance between promoting accountability and learning and ensuring that the project sample is representative of IFAD's operations.

21. The recommendation to focus in the future on a comparative set of indicators is valid. Moving forward, it would be useful for IFAD Management to explain how it intends to treat the IFAD10 target of lifting 80 million people out of poverty with a broader set of indicators in its future reporting.
22. Monitoring and evaluation. The report rightly recognizes that project-level monitoring and evaluation (M&E) systems are the bedrock of IFAD's impact assessment work, including the importance of defining a project's theory of change, identifying the right set of indicators and ensuring the timely collection of baseline data and panel data throughout implementation. The emphasis on ex ante impact assessments is also useful as it allows for adequate preparation for impact assessment at the outset, during project design.
23. Notwithstanding that some measures are being deployed to improve the above-mentioned aspects of IFAD operations, one key dimension is the commitment of government and project staff to ensuring due attention to monitoring and evaluation (M&E) activities. Independent evaluations show that several factors are constraining improvement of M&E, such as rapid turnover of M&E officers, weak understanding of M&E methods, and insufficient attention to capturing outcomes and impact. Therefore, the imperative of building incentives to strengthen the M&E capacity of governments should be considered a priority in the future.

Final remarks

24. IOE reiterates its appreciation of the efforts made by IFAD to conduct more systematic assessments of the results of its operations and acknowledges the considerable amount of work that this required and the challenges posed by the process.
25. Overall, the IFAD's impact assessment initiative can substantially contribute to enhancing IFAD's result-based management system, and ultimately contribute to improved effectiveness and impact of IFAD-funded operations. IOE encourages Management to carefully consider the above comments in its future work on impact assessments, and remains available for further dialogue on the matter.