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Investing in rural people

## Minutes of the ninety-third session of the Evaluation Committee

### Note to Evaluation Committee members

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## Minutes of the ninety-third session of the Evaluation Committee

1. These minutes cover the deliberations of the Evaluation Committee during its ninety-third session held on 6 September 2016.
2. Upon the approval of the Evaluation Committee, the minutes will be shared with the Executive Board at its 118<sup>th</sup> session.

### Agenda item 1: Opening of the session

3. Committee members from Egypt, France, India (Chair), Indonesia, Mexico, the Netherlands, Nigeria, Norway and Switzerland attended the session. Angola and China attended as observers. From IFAD, the session was attended by the Director, Independent Office of Evaluation of IFAD (IOE); Associate Vice-President, Programme Management Department (PMD); Associate Vice-President, Strategy and Knowledge Department (SKD); Director, Global Engagement, Knowledge and Strategy Division; Chief, Operational Programming and Effectiveness Unit, PMD; Director, West and Central Africa Division (WCA); Country Programme Manager, WCA; Secretary of IFAD, ad interim; and other IFAD staff.
4. For the discussions on the country programme evaluation for the Federal Republic of Nigeria, Dr Yaya Olaniran, also a member of the Committee, presented the perspectives of the Government.

### Agenda item 2: Adoption of the agenda

5. The provisional agenda, document EC 2016/93/W.P.1, contained the following items: (i) opening of the session; (ii) adoption of the agenda; (iii) preview of the results-based work programme and budget for 2017 and indicative plan for 2018-2019 of the Independent Office of Evaluation of IFAD; (iv) country programme evaluation (CPE) for the Federal Republic of Nigeria; (v) Annual Report on Results and Impact of IFAD Operations (ARRI); (vi) Report on IFAD's Development Effectiveness (RIDE); (vii) President's Report on the Implementation Status of Evaluation Recommendations and Management Action (PRISMA); (viii) name of the Committee; and (ix) other business.
6. The Committee adopted the provisional agenda as amended to include three items under "other business" pertaining to: (a) the postponement of the harmonization agreement between IFAD's independent and self-evaluation systems; (b) inclusion of an item on IFAD's strategy for engagement in countries with fragile situations in the agenda of the ninety-fourth session of the Evaluation Committee; and (c) a proposal to make arrangements for extra interpretation, if required, for the ninety-fourth session of the Committee. The amended agenda would be issued as EC 2016/93/W.P.1/Rev.1.

### Agenda item 3: Preview of the results-based work programme and budget for 2017 and indicative plan for 2018-2019 of the Independent Office of Evaluation of IFAD

7. The Committee discussed the preview of the results-based work programme and budget for 2017 and indicative plan for 2018-2019 of the Independent Office of Evaluation of IFAD, as contained in document EC 2016/93/W.P.2. Members noted that the preview had been prepared in consultation with Management and governing bodies and was based on a critical assessment of needs. The proposed evaluation activities were prioritized using a detailed selectivity framework.
8. IOE indicated that the preview had three key features. First, it was based on the enhanced methodology and processes of the second edition of the Evaluation Manual. This had shortened the duration of major evaluations from 18 to 12 months, and increased the number of project performance evaluations from 8 to 10. Second, it proposed that more of IOE's evaluative work be undertaken

internally. Third, it proposed expansion of geographic coverage of its evaluations to further strengthen IFAD's accountability and learning.

9. The Committee endorsed the proposed amount of US\$5.76 million for the 2017 IOE budget, and congratulated IOE on the high quality of the document and substantial programme of work. The Committee sought clarification on the 1.6 per cent increase against the 2016 approved budget, and the parameters used to prepare the budget. IOE explained that the nominal increase comprised a 1.3 per cent price increase, mainly resulting from a rise in evaluation and travel-related costs, and a real increase in staff costs of 0.3 per cent, attributable to the proposed filling of the fixed-term position at the P-4 level. Furthermore, the IOE budget had been prepared using the parameters provided by the Budget and Organizational Development Unit of IFAD which included three assumptions: no changes in standard staff costs; the inflation rate absorbed to the extent possible; and an exchange rate of US\$1:EUR 0.877. Overall, the proposed 2017 IOE budget was 0.39 per cent of IFAD's expected programme of loans and grants. This was well below the IOE budget cap of 0.9 per cent adopted by the Executive Board.
10. Members pointed out that the preview document was in line with previous Committee recommendations with regard to wider geographic coverage of evaluations, the focus on the Rome-based agency(RBA) partnership, more rigorous evaluations, and more in-sourcing of evaluations for greater learning and capacity-building.
11. In addressing the Committee's concern that the planned RBA joint evaluation synthesis on gender equality had not been conducted, IOE clarified that the timing was not ideal as the Food and Agriculture Organization of the United Nations (FAO) had recently completed a similar evaluation. The evaluation offices of the three RBAs would work closely together based on the statement of intent, signed in 2013, to synchronize work programmes, ensure forward planning and identify more possibilities for conducting joint evaluations. IOE further informed the Committee that opportunities for RBA collaboration would be sought in conducting the CPEs planned for 2017. With regard to joint evaluations with other international financial institutions, discussions were under way with the African Development Bank on cofinanced projects, and one such joint project evaluation would be conducted in 2017.
12. Members raised a question on the selection criteria for the proposed evaluations, and, particularly, why the proposed programme of work for 2017 did not include the CPEs of Guatemala and Indian Ocean Small Island Developing States (SIDS) as specified in the indicative plan for 2017 and 2018 approved by the Board in December 2015. This was a point of concern especially given that SIDS were a niche area of IFAD's work. In response, IOE informed the Committee that the country selection process was very transparent. It was based on IOE's selectivity framework, in which two main criteria were considered for CPEs: linkage of a CPE with the country strategic opportunities programme (COSOP) to ensure that the new strategy was informed by the evaluation results, and regional and country coverage (i.e. portfolio size, eligibility for the Debt Sustainability Framework, and category of lending terms). IOE acknowledged the importance of assessing IFAD's role in SIDS, and reassured the Committee that this would be covered in the future.
13. The Committee welcomed the planned corporate-level evaluation (CLE) on IFAD's financial architecture and requested that initial findings be shared as soon as possible in 2017, as such information would be useful for the Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11). IOE confirmed that the approach paper would be shared with members in March 2017, as would the preliminary findings when available. However, the report would not be finalized until 2018.

14. When asked by members to reflect on the current state of the evaluation function in IFAD, IOE assured the Committee that a solid evaluation structure was in place, which provided a wide range of evaluation products. It also acknowledged that there was room for further improvement to better meet Member States' needs and support the achievement of the ambitious Sustainable Development Goals. On the issue of uptake of recommendations by Management, IOE noted that some systemic issues had been identified and dialogue was ongoing between IOE and Management to bring about the needed changes. Management expressed satisfaction with the increasingly good evaluations but raised a concern on the nature of recommendations, which were sometimes overly complex and multidimensional. Further, some recommendations were recurrent and this pointed to a need for greater emphasis on learning.
15. Finally, members put forward the idea of a peer review of IOE, which they felt would be a positive and welcome exercise. A member highlighted the need for establishing the practice of periodic assessments of the evaluation function. Another member suggested that the peer review should go beyond IOE to analyse the role played by the Executive Board in reviewing evaluation products, and how it viewed IOE's input in IFAD operations. IOE was requested to consider the appropriate timing for the peer review – given the changes foreseen in the institution and budget implications of the exercise – and inform the Committee when such a review could be undertaken.

#### Agenda item 4: Country programme evaluation for the Federal Republic of Nigeria

16. The Committee discussed document EC 2016/93/W.P.3, the CPE for the Federal Republic of Nigeria. It was noted that this was the second CPE for Nigeria, covering 2009-2015, and that its findings had informed the new IFAD results-based COSOP under preparation in 2016. Nigeria had WCA's largest portfolio as of 2014, with a total of US\$317.6 million in active and closed projects and was the second largest among all of the African countries where IFAD operated.
17. The CPE found that the second COSOP had a clear focus on agriculture and was well aligned with government policies and strategies. Overall, the CPE had rated the Nigeria portfolio as moderately satisfactory in terms of relevance, effectiveness, poverty impact, sustainability, innovation and scaling up, and gender equality and women's empowerment. The portfolio had made a positive impact on rural poverty through increased household assets, improved human and social capital and empowerment, increased agricultural productivity and production, and a significant impact on local institutions, especially the development of community-driven development associations. However, the delivery of results had been affected by slow disbursement, issues with availability of counterpart funding, implementation delays, the complexity of the federal governance context and the broad geographic coverage of the country programme. These issues had posed a challenge for effective programme implementation. In addition, the absence of credible poverty data at sub-state level had constrained targeting, and issues of weak governance and conflict had not been sufficiently considered in portfolio design and implementation.
18. The Committee noted that, as expressed by the government representative, the Federal Republic of Nigeria appreciated the fact that the CPE had highlighted key policy areas in need of streamlining to better support the agriculture sector. IFAD was praised for highlighting the importance of the private sector in agricultural development through support to selected value chains, and for the support to community-driven development associations. The representative for Nigeria welcomed the CPE's conclusions and recommendations and was ready to work with Management to effectively follow them up, as reflected in the Agreement at Completion Point already signed.

19. Both the Committee members and Management appreciated the high quality of the CPE and fully supported the recommendations reflected therein. Members expressed concern over the issues highlighted in the CPE such as the disbursement delays and long project durations that had resulted in turbulent redesign, and the weak monitoring and evaluation (M&E) systems. The Committee welcomed Management's endorsement of the findings, conclusions and recommendations of the CPE, and the key steps agreed upon with the Government to ensure adequate follow-up by: (i) increasing geographic focus with emphasis on states and realistic levels of counterpart funding; (ii) increasing leverage and presence in operations to improve linkages between programmes and grants; outposting of IFAD staff; and creating opportunities for high-level policy engagement; (iii) dedicating resources to cross-cutting issues; (iv) expanding existing and developing new partnerships; and (v) strengthening M&E.
20. Members raised questions such as the reason for the high number of grants – 20 in all – sanctioned for the Federal Republic of Nigeria, the weak design of some projects, the rating of gender equality and empowerment, and the complexities of coordinating operations among the three levels of government in Nigeria. Management clarified that: (i) only six out of the 20 grants were loan-related and the rest were provided as Consultative Group on International Agricultural Research (CGIAR) grants; (ii) it was responsible for all project design and a system of quality enhancement and assurance was in place to ensure more focused and higher quality. Moreover, during implementation, close support and follow-up were provided to ensure proactive identification of issues to be addressed; (iii) gender equality and women's empowerment had been rated moderately satisfactory; and (iv) the new COSOP would have a sharper geographic focus and would emphasize partnership with states. IOE pointed out that matching grants should be used to enhance loan-funded projects. However, in the case of Nigeria they were used to fund one-off investments, which did not result in any follow-up activities or capacity-building.
21. Regarding the concern raised that the CPE ratings had not been included in the executive summary, IOE informed members that this was to ensure that the word limit allowed for the summary covered cross-cutting and thematic issues rather than concentrate on justifying the ratings. The ratings were thus provided in the annex.
- Agenda items 5 and 6: Annual Report on Results and Impact of IFAD's Operations (ARRI) and Report on IFAD's Development Effectiveness (RIDE)
22. As per the revised IFAD Evaluation Policy, the Committee reviewed documents EC 2016/93/W.P.4 (ARRI) with Management's response, and document EC 2016/93/W.P.5 (RIDE) together with IOE's comments, which would be presented for the first time at the September session of the Executive Board.
- Annual Report on Results and Impact of IFAD's Operations (ARRI)
23. The Committee welcomed the fourteenth edition of the ARRI and the learning theme on knowledge management and congratulated IOE on producing the report in-house. The Committee noted that the report offered a synthesis of the Fund's performance based on evaluative evidence gathered from a sample of 270 impartial evaluations completed since 2002, including the 40 new project evaluations done in 2015. In particular, the 2016 ARRI took into consideration the priorities for the IFAD9 period (2012-2015) and captured the performance of IFAD operations against a number of indicators in the results measurement framework, especially under level 2, development outcomes.
24. The ARRI highlighted that in terms of operational performance, IFAD's project performance was good, with 80 per cent of the projects rated moderately satisfactory or better for most of the criteria. Evaluation results showed that IFAD

had made a positive contribution to rural poverty reduction with an increase in projects rated moderately satisfactory and better from 87 percent (for the period 2011-2013) to 92.3 per cent for operations completed between 2012-2014. With regard to performance at the country level, non-lending activities were only moderately satisfactory, with a marked decline in partnership-building at the country level. IOE pointed out the need to improve performance to the levels of satisfactory and highly satisfactory and identified key systemic issues to be addressed moving forward at both project and country programme levels. The Committee was in agreement with the recommendations of the ARRI which indicated the need to raise performance from moderately satisfactory to satisfactory and better, through improved food security and nutrition mainstreaming, better targeting strategies, enhanced M&E and better management of fiduciary responsibilities.

25. Regarding the ARRI 2016 learning theme, a member recalled that the Executive Board had requested that the theme be broadened to provide an analysis of the obstacles to internalizing and applying knowledge products. IOE clarified that this aspect had not been covered in the current ARRI but would be covered in a fully fledged CLE on knowledge management, which could be undertaken after the CLE on IFAD's financial architecture. On a related note, members sought to understand how knowledge management could be utilized for better learning and as a pillar for IFAD's activities in South-South and triangular cooperation as this was not clear in the ARRI. On this issue, IOE pointed out that various efforts were under way in IFAD to improve knowledge management, but that a systematic approach and a M&E system to serve as the backbone to the knowledge management system were needed.
26. The Committee took note of Management's response to the ARRI, specifically the fact that Management welcomed the recommendations of the ARRI in relation to targeting, nutrition, partnerships and knowledge management, although they were not in agreement with some sub-recommendations. For instance, Management did not consider it efficient to have all supervision missions and midterm reviews look at opportunities to enhance project focus on nutrition, but this would be done whenever relevant. On this issue, members noted that IOE's recommendation was clear as it specified that all projects should be nutrition-sensitive when relevant, and urged Management to seriously consider identifying which projects were nutrition-sensitive and which were not at project design, paying special attention to projects in areas that were prone to malnutrition. Members called upon Management to consider, as much as possible, the relationship between agricultural productivity and nutrition sensitivity and the impact on the nutrition situation of the target population. They also encouraged closer collaboration with other United Nations agencies that tackled nutrition directly.
27. Management further emphasized that nutrition was a priority area for IFAD, and institutional measures were now in place to ensure adequate coverage of this area with support from Canada, Germany and the European Union. IFAD was also working in partnership with international agriculture research institutes, such as Bioversity International and the International Center for Tropical Agriculture (CIAT), to develop and mainstream nutrition-sensitive crop varieties into portfolios across Africa and Latin America.
28. Members asked whether it was possible for the ARRI recommendations to be structured in a simpler and user-friendly way, and expressed concern that only the overview of the ARRI and not the main report had been translated into the official languages. Management explained that the document word limits were part of the governance efficiency measures approved by the Executive Board.
29. Finally, the Committee welcomed the learning theme for the next edition of the ARRI, namely financial management and fiduciary responsibilities, and noted its

timeliness, as it would contribute positively to the IFAD11 Consultation. The learning theme was also important in that it would shine a light on government performance in the area of financial management.

#### Report on IFAD's Development Effectiveness (RIDE)

30. The Committee took note of the highlights of IFAD's development effectiveness as presented in the RIDE. These included: IFAD's contribution to the improved well-being of rural people in terms of higher income, food security and asset ownership; improved performance by IFAD-supported projects with nine out of 10 evaluation criteria met or surpassed; improved adherence to the aid effectiveness agenda, engagement in policy dialogue, partnership-building; better portfolio management; and improved institutional effectiveness and efficiency.
31. Members welcomed the strong focus on strengths and weaknesses, the focus on the IFAD9 Results Measurement Framework (RMF), and the user-friendly structure of the RIDE. Areas of strength included: relevance of IFAD-supported projects, emphasis on gender equality and women's empowerment, better quality at entry and sustainability of benefits. Areas for improvement included: M&E at project level, performance measurement of non-lending activities, reduction in the time lag between project approval and start up, and the co-financing ratio.
32. The Committee also noted IOE's comments on the RIDE, especially the emphasis on enhanced transparency of the report and reliability of the findings by including a wider discussion of the methodology; limitations to measuring and reporting on results; the broad consistency between the results reported in the 2016 ARRI and RIDE on the issue of project performance, although the RIDE reported better performance in efficiency, sustainability of benefits, relevance, and innovation and scaling up.
33. While appreciating the results reported, members expressed concern over the discrepancy between the ARRI and the RIDE in that the RIDE contained better ratings than the ARRI for efficiency, sustainability of benefits, relevance, and innovation and scaling up. This difference was attributed to, inter alia, the different methods and processes used by Management and IOE in their assessment of the aforementioned criteria. The Committee noted, therefore, that opportunities existed for further harmonization of IFAD's independent and self-evaluations to ensure better comparability of results in the future.
34. Responding on the observations that the RIDE presented a positive picture, Management informed the Committee that the results reflected in the current RIDE were in line with those of several other external reviews conducted on IFAD in the past four years such as the United Kingdom's Department for International Development (DFID) Multilateral Aid Review, MOPAN, and the Australian and Canadian effectiveness reviews. Management also pointed out that the Committee was able to review a relatively small number of the total project performance assessments conducted per year. Furthermore, Management highlighted the fact that, of the data sets used to compile the ARRI and RIDE, only IOE's project completion review and project performance assessment data set and PMD's project completion report data set were comparable.
35. Management also noted that for the 2016 edition of the RIDE, learning and quality assurance processes had been strengthened through two in-house learning workshops to discuss the results and lessons contained in the document. The RIDE also identified the areas needing further progress, such as M&E at the project and the country programme levels. This would be addressed through the development and introduction of a comprehensive development effectiveness framework, to be presented to the Board in December 2016.
36. In response to a request by Committee members and IOE for more information on methodology, Management advised that these details were provided in the

annexes, given that the RIDE had to adhere to a word limit of 5,500 words, as decided by the Executive Board.

37. On the indicator of the number of people brought out of poverty, which was discussed by the Board in April 2016 in the context of the final report on the IFAD9 impact assessment initiative, members requested that Management should include a more detailed explanation in the main text to clarify the figures on poverty reduction, i.e. 24 million people out of the targeted 80 million people.
38. A question was raised by a member on the co-financing ratio and the target as compared to the achievement indicated in the RIDE. Management clarified that while the target under IFAD9 was 1.6, this had been revised to 1.2 under IFAD10, in agreement with Member States, given that the original target was found to be unrealistic in the prevailing global financial and economic context. Accordingly, the result of 1.37 contained in the 2015 RIDE had surpassed the current target.
39. The Committee asked about the rating on the policy dialogue and aid effectiveness indicators. Management clarified that the RIDE assessed adherence to the aid effectiveness agenda and not IFAD's aid effectiveness; and in the same vein for policy dialogue, the RIDE assessed whether or not there had been engagement in national policy dialogue. Management underlined that performance in these areas was based only on feedback from client surveys.
40. The aspect of sustainability of results was once again discussed in detail, particularly the view that Management and IOE defined sustainability differently, which was a matter of great concern. The Committee encouraged both Management and IOE to harmonize their definition and assessments for this criterion. Management agreed with the need to harmonize IOE's and PMD's perspectives, noting that this would be done through the harmonization agreement. A Committee member emphasized the need to focus on sustainability in the context of rural and agricultural development, which referred to sustainability of benefits at the level of the target population, and their ability to maintain or increase benefits over time.
41. To further elucidate the reasons for good and poor performance against the various indicators, Management informed the Committee of steps taken, namely establishing a corporate dashboard that captured many indicators in real time, as opposed to the portfolio reviews that were undertaken once yearly. In addition, Management had introduced more rigorous and frequent portfolio reviews, and SKD was carrying out quarterly monitoring and reporting of corporate performance on the progress against the RMF targets.

Agenda item 7: President's Report on the Implementation Status of Evaluation Recommendations and Management Action (PRISMA)

42. The Committee reviewed document EC2016/93/W.P.6, the thirteenth President's Report on the Implementation Status of Evaluation Recommendations and Management Action (PRISMA), prepared by IFAD Management and its addendum containing IOE's comments. The Committee congratulated Management on its impressive uptake of recommendations.
43. The 2016 PRISMA covered 173 recommendations from 25 different evaluations, including the historical follow-up of 12 other evaluations, and reported a 94 per cent uptake by Management of IOE's recommendation, confirming the upward trend in performance observed in recent editions. Management actions included: (i) preparation of the approach paper on IFAD's strategy for engagement in fragile situations in response to the CLE on the same issue; the strategy would be presented to the Board in December 2016; (ii) mobilization of non-earmarked resources through the replenishment process, and adoption of the Sovereign Borrowing Framework following the CLE on replenishments; and (iii) revision of the



guidelines on supervision and implementation support following the CLE on supervision.

44. The Committee also noted IOE's response to the PRISMA, especially in regard to the recommendations not agreed upon by Management, such as: (i) preparation of an exit strategy for projects and a proper assessment of sustainability of benefits of IFAD-financed operations; and (ii) inclusion of specific measurable indicators and targets for non-lending activities in the RMFs of all COSOPs. IOE appreciated the suggestion to develop a template for recommendations to facilitate their implementation and maintain transparency and accountability in follow up, but clarified that, as per the Board decision, IOE would continue to share their recommendations with Management without any constraints in form or number from Management. IOE further explained that the nature of the topic under evaluation determined the nature of conclusions and recommendations, and it would therefore not be practical to develop a template for recommendations. Nonetheless, a member expressed the need for IOE and Management to explore the possibility of such a template for recommendations or a pragmatic solution that would facilitate follow-up and discussion by the Board and the Evaluation Committee.
45. The Committee reiterated the need for IOE to continue to freely share recommendations with Management without any limitations as to format and volume, noting that limiting recommendations would also limit the opportunities for learning. Members, however, called upon IOE to ensure that recommendations were actionable. Management also clarified that PRISMA had commented on the complexity of the recommendations. Less complex recommendations would increase transparency, accountability and understanding of the action to be taken to comply with the recommendations. Although there had been a decreasing number of recommendations, more sub-actions were still necessary to ensure adequate follow-up.
46. A member noted that the recommendations from the Albania Project Performance Assessment presented in PRISMA as "not applicable" should be reclassified: although IFAD was no longer active in Albania, Management could use these recommendations to inform project designs in the region.
47. Regarding sustainability, Management noted that PRISMA focused on the issue of an exit strategy, and reiterated that it did not necessarily see a relationship between an exit strategy and sustainability of benefits. However, as requested by the Executive Board, Management would continue looking into specific, more useful timing for exit strategies.

Agenda item 8: The name of the Committee

48. The representative for the Netherlands raised the issue of considering changing the name of the Evaluation Committee to reflect more accurately its current wide scope of work. However, several members expressed their preference for maintaining the current name as "Evaluation Committee" as this was more focused in scope and provided an easier reference point and, in addition, highlighted the importance that IFAD attached to the evaluation function. Accordingly, the Committee concluded that there was no need for a change and that the present nomenclature of the Committee should be retained.

Agenda item 9: Other business

49. The Committee considered three sub-items under other business, two of which were raised by Management, and the other by the Office of the Secretary, as follows:
  - (a) The Committee took note of document EC 2016/93/INF.1 which provided the rationale for seeking to postpone the presentation of the harmonization agreement between IFAD's independent and self-evaluation systems.

Members approved that this item be shifted from the ninety-fourth session of the Evaluation Committee in October 2016 to the ninety-sixth session in March 2017.

- (b) Management indicated the need to have the Evaluation Committee discuss IFAD's strategy for engagement in countries with fragile situations before presentation to the Board at its December session. The Committee thus approved the inclusion of this item in the agenda of its ninety-fourth session in October 2016.
  - (c) Finally, members approved the proposal by the Office of the Secretary to consider making arrangements for extra interpretation hours for the ninety-fourth session of the Evaluation Committee if required. The invitation letters and the provisional agenda would be posted after these arrangements were finalized on 8 September 2016.
50. The Chairperson closed the session by thanking all members for their active participation in the deliberations, as well as IOE, Management, staff and the Secretariat, for the successful session.