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Minutes of the ninety-fourth session of the Evaluation Committee

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

Dispatch of documentation:

William Skinner
Chief
Governing Bodies Office
Tel.: +39 06 5459 2974
e-mail: gb_office@ifad.org

Minutes of the ninety-fourth session of the Evaluation Committee

1. These minutes cover the deliberations of the Evaluation Committee during its ninety-fourth session, held on 13 October 2016.
2. Upon the approval of the Evaluation Committee, the minutes will be shared with the Executive Board at its 119th session, and serve as the basis of the Evaluation Committee Chairperson's oral report to the same Board session.

Agenda item 1: Opening of the session

3. The session was attended by Committee members from Egypt, France, India (Chair), Indonesia, Mexico, the Netherlands, Nigeria, Norway, and Switzerland. Observers were present from Canada, China and Germany. From IFAD, the session was attended by the Director, Independent Office of Evaluation of IFAD (IOE); Associate Vice-President, Programme Management Department (PMD); Chief, Operational Programming and Effectiveness Unit (OPE) of the Programme Management Department; Director, East and Southern Africa Division (ESA); Director, Near East, North Africa and Europe Division (NEN), Officer-in-Charge, Environment and Climate Change Division (ECD); Portfolio Officer, ECD; Lead Portfolio Advisor, Asia and the Pacific Division (APR); Officer-in-Charge, Office of the Secretary of IFAD; and other IFAD staff.
4. The Chairperson of the Committee, Mr Rishikesh Singh, informed Members that, during the discussion on the country programme evaluation (CPE) of the Republic of India, he would delegate his role as chair to the representative of Nigeria and speak on behalf of the Government of India. Mr Inácio Tomás Muzime, Counsellor and Alternate Permanent Representative of the Republic of Mozambique to the United Nations Food and Agriculture Agencies in Rome, would attend the portion of the Committee meeting discussing the impact evaluation of the Sofala Bank Artisanal Fisheries Project.

Agenda item 2: Adoption of the agenda

5. The provisional agenda, document EC 2016/94/WP.1, contained the following items: (i) opening of the session; (ii) adoption of the agenda; (iii) 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 for the Republic of India; (v) IFAD strategy for engagement in countries with fragile situations; (vi) Impact evaluation of the Sofala Bank Artisanal Fisheries Project in the Republic of Mozambique; (vii) Evaluation synthesis report on smallholder access to markets; (viii) Evaluation synthesis report on environment and natural resource management; (ix) Provisional agenda of the Evaluation Committee for 2017; and (x) other business.
6. The provisional agenda was amended to include two items under Other business as follows: (a) Timeline for a potential Peer Review of IOE; and (b) Introduction of the IOE Deputy Director. The amended agenda would be reissued as EC 2016/94/WP.1/Rev.1.

Agenda item 3: 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 reviewed document EC 2016/94/W.P.2, the Results-based work programme and budget for 2017 and indicative plan for 2018-2019 of IOE, which had been revised based on comments received at the Committee's ninety-third session, at the 141st meeting of the Audit Committee and at the 118th session of the Executive Board. Members welcomed the revisions and requested that, in future, IOE mark the revisions made to the preview document for the Committee's ease of reference.

8. The Committee congratulated IOE on the revised document and welcomed the proposed budget for 2017. The proposed budget of US\$5.73 million, slightly lower than the earlier submission, reflected a reduction in staff costs as a result of the new exchange rate of US\$1=EUR 0.897. Members noted that, at 0.39 per cent of the cost of the programme of loans, this was well below the 0.9 per cent cap, and welcomed the increase in the gender budget element, the planned initiative to support monitoring and evaluation at the country level, as well as the increase in the number of structured participatory rural appraisals.
 9. Members noted that there was now a 0.9 per cent nominal increase, down from 1.6 per cent in the budget, and that staff costs would rise as a new position would be filled. They thanked IOE for demonstrating budget discipline. One member noted, however, that the reference to a significant reduction in official development assistance (ODA) may not be up to date, recalling that 2015 data from the Organisation for Economic Co-operation and Development had indicated a marked increase in ODA compared to 2014.
 10. In response to a query as to whether there was ample data to conduct the evaluation synthesis on fisheries and aquaculture, the Committee was reminded that this synthesis had originally been planned for 2016 but had been postponed to 2017 pending the availability of sufficient data. Members were also assured that work on the harmonization agreement was under way and it would be presented to the Committee and the Board in 2017.
 11. The Committee noted that the IOE work programme and budget document would be submitted to the 119th session of the Executive Board in December 2016.
- Agenda item 4: Country programme evaluation for the Republic of India
12. The Committee discussed the second CPE for the Republic of India, covering the period 2010-2015, and the related agreement at completion point as contained in document EC 2016/94/W.P.3 and its addendum. The Committee noted that India constituted the largest portfolio of IFAD-supported operations, and, since 1979, IFAD had financed 27 projects through 31 loans amounting to US\$928.6 million.
 13. The Committee commended IOE for the meticulous CPE and its impressive methodology. They welcomed the results, which indicated solid portfolio performance, especially in the areas of gender equality and women's participation in self-help groups and leadership positions, and empowerment of disadvantaged groups. They appreciated achievements in scaling up, geographic coverage, best practices and policy approaches. The Committee also noted that IFAD applied a valid intervention paradigm focusing on basic needs, empowerment and protection of natural resources, and had contributed significantly to increasing household incomes.
 14. The Committee noted with satisfaction that both Management and the Government agreed with the CPE recommendations to address prevailing efficiency challenges, such as those arising from slow project start-up and implementation delays, high turnover of project staff, and implementation capacity on the ground, among others. The representative of the Government of India appealed to Management to encourage cross-project learning; build scalability and post-project sustainability; ensure simpler project design and strive for shorter project durations; strengthen market linkages for agricultural produce; and, overall, to support the endeavour of the Government of India to achieve inclusive rural transformation. Management informed the Committee that some of these recommendations were already being implemented and integrated into the design of the new results-based country strategic opportunities programme (COSOP).
 15. Members welcomed the recommendations to continue prioritizing disadvantaged areas and groups through differentiated approaches, to ensure that project design focused on product clusters and marketing, simpler design, capacity-building of

implementing agencies, and the possibility of embedding non-lending activities in project components. The Committee underscored the importance of building stronger partnerships with the other Rome-based agencies (RBAs) and other United Nations system bodies, as well as with the private sector, and engaging them in the COSOP formulation process. Management shared examples of collaboration with the Food and Agriculture Organization of the United Nations (FAO) in project design and with the World Food Programme (WFP) on rural development programme in India, and clarified that the private sector was engaged through discussions and consultations.

16. The Committee asked what lessons could be derived from the CPE in relation to interventions in non-lending activities such as policy dialogue and knowledge management in upper-middle-income countries, and what impact they may have had on the IFAD business model. Management emphasized the importance of embedding and mainstreaming non-lending activities in loan projects to ensure that the former were streamlined, better monitored and followed up on. They informed the Committee that the IFAD business model was being reformed to reflect this approach.
17. Responding to the need to target power relationships and structural issues in poverty, Management reiterated that it would continue to focus on the most vulnerable groups affected by those power relationships. Regarding the number of households targeted compared to the total number of rural poor households, Management further clarified that the figures did not include the number of households reached through scaling up.
18. Members noted the view that although IFAD's contribution in terms of loans compared to the multilateral development banks was modest, India strongly valued the partnership because IFAD contributed by sharing international best practices through the projects, thereby building the capacities of beneficiaries, local staff and stakeholders, by nurturing innovations and by strengthening non-lending activities to enhance learning and policies.

Agenda item 5: IFAD strategy for engagement in countries with fragile situations

19. Based on comments received following the presentation of the approach paper to the Committee at its 93rd session and to the Executive Board at its 117th session, members reviewed the IFAD strategy for engagement in countries with fragile situations and IOE's response, contained in document EC 2016/94/W.P.4 and its addendum, respectively.
20. The Committee welcomed the strategy and commended Management for responding positively to the recommendations of the CLE. The Committee took note of the updated definition of fragility and the additional focus on weak governance structures and low-capacity institutions. Management informed the Committee that, based on the updated definition of fragility, a list of the most fragile situations had been identified, which would allow for a differentiated and adaptive approach.
21. Members thanked Management for the focus on further empowering staff working in fragile situations, a more IFAD-specific definition of fragility, and attention to gender equality in countries with fragile situations. They highlighted the importance of the strategy, especially during the replenishment consultations.
22. The Committee welcomed and supported IOE's comments on the strategy, including the need to: pay attention to subnational fragility; better portray the linkages with other current and forthcoming IFAD strategies, policies and processes; pay special attention to monitoring and evaluation processes for fragile situations by devising specific indicators and risk management approaches; and conduct a review of the implementation of the strategy and introduce necessary changes to respond to the evolving environment.

23. The strategy was based on IFAD's guiding principles, including risk management and resilience, addressing root causes of fragility and establishing flexible, responsive instruments. The Committee expressed the view that the guiding principles could be better elaborated to guide operationalization. They recommended the inclusion of accountability to affected populations under the guiding principles – in such a formulation as "do no harm" – and alignment with the Social, Environmental and Climate Assessment Procedures of IFAD (SECAP). Management clarified that greater attention would be paid to issues of accountability, the sustainability of interventions, and enhanced clarity on partnerships and harmonization with other partners beyond the RBAs, and under the United Nations Development Assistance Framework.
24. Given the inclusion of vulnerability to natural disasters in the definition of fragility, Members asked why there were no environment-related criteria for assessing fragility. Management indicated that such concerns were addressed through SECAP and other financing tools such as the Adaptation for Smallholder Agriculture Programme (ASAP). Furthermore, by strengthening institutional capacity, countries were better positioned to recover from natural disasters.
25. Responding to a question about the guiding principles, and particularly the reference to flexible and responsive resources, instruments and approaches, and what flexible meant in this context, Management shared a number of options to be explored, such as the reallocation of funds from a project to address a crisis, flexibility in choice of partners, remote supervision, partial suspension of activities that were conflict-resilient such as village savings schemes rather than full suspension, and the provision of support through grant facilities. The Facility for Refugees, Migration and Stability (FARMS) was an example of a grant facility tackling specific but not all aspects of fragility, which in due course could evolve into a potential "fragility window". Currently, Management was using the "flexibility window" to intervene promptly in the Haiti crisis.
26. Regarding IFAD's intervention in Haiti, a member noted with concern that IFAD's core mandate was to provide structural development aid and not humanitarian relief. In a discussion on IFAD's role in crisis situations, Management informed the Committee that unallocated resources available to Haiti had been allocated to provide access to appropriate agricultural inputs, and to support the recovery process. To do this, a phased approach had been adopted to ensure that IFAD worked with other United Nations agencies, particularly WFP and FAO, in a complementary manner. The Committee noted that this was a good opportunity for streamlined RBA collaboration. They recommended proactive communication on the intervention to dispel any misconceptions about roles.
27. The Committee sought further clarification on the aspect of a fragility window. Management elucidated that the fragility window, as reflected in the strategy, referred to the possibility of allocating more funds to countries with fragile situations, in form of grants to address key soft activities such as institution-building, gender and policy engagement.
28. Members welcomed the narrowing of the list of countries with fragile situations, and asked whether there was room to refer to neighbouring countries affected by spillover issues of fragility, such as migration, displacement and refugees. Management welcomed this suggestion and agreed to find ways to reflect the spillover effect of fragility. Regarding the issue of fragility at the subnational level, Management informed the Committee that they had considered the definition of such instances by other international financial institutions, but had decided to keep the IFAD definition more neutral. Moreover, the term "fragile situations" as used in the definition, referred to fragility at national and subnational levels. Efforts would be made to enhance clarity on this issue in the document.

29. The Committee highlighted that the reference to the presence of African Union and United Nations peacekeeping missions as a fragility index, and having institutional capacity and conflict as indicators, was not optimal. They called on Management to identify better measurable indicators. Management agreed that while both weak institutional capacity and conflict correlated with fragility, more significant aspects would be considered, suitable indicators identified and national fragility reflected.
30. Members further requested Management to include indicators relating to fragility and vulnerability in the strategy itself, together with a monitoring and accountability framework and an implementation plan, rather than postpone the indicators relating to fragility and vulnerability to the strategy implementation phase. Management informed the Committee that the plan would be designed through a holistic approach following its approval.
31. The Committee asked how sustainability would be addressed in areas with fragile situations where institutional capacities were weak. Management explained that this would be done by working closely with non-governmental organizations (NGOs) and other partners, and collaboration with other United Nations agencies through the United Nations Development Assistance Framework (UNDAF). Although IFAD funds were channelled through governments, financing agreements provided room for government projects to contract or subcontract NGOs or civil society organizations to help with implementation and support.
32. In response to a question raised by a member, Management emphasized that resource allocation to fragile situations did not pose a risk where upper-middle-income countries with fragile situations could access highly concessional loans, because IFAD's lending terms were determined by country statistics, such as gross national income per capita and variables relating to debt sustainability from the International Monetary Fund and the World Bank. While the current performance-based allocation system (PBAS) contains a post-conflict facility as adopted from the World Bank's annual list of countries entitled to 100 per cent additional resources in terms of PBAS financing, the revised PBAS would no longer use this facility. Accordingly, there would be no risk that a middle-income country with fragile situations could access concessional funding.
33. A member requested that the phrase "in a state of fragility" be replaced by "in conditions of fragility" in the Spanish version, to avoid confusion over the word "state". There was a question about whether IFAD would maintain country presence in fragile situations, or provide support from headquarters. Management reiterated that, in addition to remote supervision, follow-up would be done through partners available in the field.
34. The strategy would be presented to the Executive Board at its 119th session in December 2016 and, once approved, would be included in the holistic approach document in 2017.

Agenda item 6: Impact evaluation of the Sofala Bank Artisanal Fisheries Project in the Republic of Mozambique

35. The Committee reviewed document EC 2016/94/W.P.5 with its addendum, the Impact evaluation of the Sofala Bank Artisanal Fisheries Project in the Republic of Mozambique, and Management's response thereto.
36. The Committee, expressing its appreciation for the clarity of the report, noted this was the third impact evaluation conducted by IOE. The report rated the overall performance of the project and its contribution to rural poverty reduction as satisfactory. In particular, the project had contributed to: increased incomes and assets; the formulation, adoption and implementation of the subsector policy framework to strengthen fisheries management; community mobilization and improved access to microfinance; improved post-harvest handling; and better access to markets.

37. Management was in agreement with the four recommendations of the evaluation, and informed members that these would be followed up on during the implementation of the ongoing IFAD-supported Artisanal Fisheries Promotion Project. The Committee noted that Management would work in coordination with the World Bank and private sector partners to support the fisheries sector, and promote gender mainstreaming.
38. Members noted the importance of including an exit strategy in the projects, and requested details on how Management would ensure the continuity and sustainability of results without a prior exit strategy. Management expressed the view that instead, they had pursued a scaling up agenda from the start of the projects by engaging with partners and the private sector.
39. The representative of the Republic of Mozambique commended the evaluation report as a knowledge resource that would inform future development interventions. He informed the Committee that the Government agreed with the conclusions and recommendations of the report, and requested that further analysis be conducted on how the Sofala Bank fisheries projects fit in the evolving partnership with IFAD.
40. Regarding the methodology of the impact evaluation, and specifically the reconstruction of the theory of change ex post, IOE clarified that this was done in a participatory manner to better appreciate the rationale and assumptions of different components of the intervention and the expected results. Based on this approach, appropriate statistical tools were applied to show the causalities behind the achievement of results.

Agenda item 7: Evaluation synthesis on smallholder access to markets

41. The Committee reviewed the Evaluation synthesis on smallholder access to markets and the Management response thereto, presented in document EC 2016/94/W.P.6 and its addendum, respectively. The Committee thanked IOE for the well-written and reader-friendly synthesis report, noting that it included lessons learned and highlighted IFAD's efforts in enhancing market access.
42. The Committee noted that the evaluation had been based on questions reflecting IFAD's strategic objectives and the prevailing approach to market access for smallholder farmers: targeting, partnerships, institutions and policy, infrastructure, finance and food security. Members welcomed the findings of the report and the lessons learned, including the need to: identify and mitigate risks related to market dynamics and smallholders at the design stage; ensure the sustainability of outcomes by promoting facilitation by the public sector and empowering smallholders; and ensure alignment with evolving markets through performance monitoring and appropriate sequencing of activities.
43. The Committee endorsed two of the three recommendations in the report. The first related to investing in improved programme designs that reflect analysis of market dynamics, trends and appropriate partners. The second related to developing programmes tailored to specific groups. The Committee welcomed Management's positive response to these two recommendations, and agreed that the third recommendation on developing indicators relating to food security and nutrition for market access projects could have been more specific. IOE explained that the third recommendation was motivated by the need to pay attention to the causal pathway from enhanced market access to improved food security and nutrition.
44. Members welcomed the content of the report and placed emphasis on the role of capacity-strengthening, empowerment and farmers' organizations in enhancing market access as key issues. They expressed the view that a recommendation to address these issues would have been beneficial. Members also noted that it would have been beneficial to include more examples indicating the unique challenges of working with indigenous peoples and pastoralists to access markets. On this point,

IOE clarified that the previous evaluation syntheses on indigenous people and pastoralists had attributed varying importance to regular market access for their well-being, which was, therefore, seen as a context-specific issue.

45. In response to a question on some underlying issues such as power relationships and their effect on access to markets, the Committee noted that the public sector was key in facilitating an enabling environment, and that this was an important aspect in the process of empowering smallholders and attracting the private sector.
46. On the question of the sustainability of market access interventions, Management placed emphasis on private sector engagement as a key driver of sustainability. There was, however, a need to explore how the private sector could transition from the role of buyer to investor continuously engaged with the communities.
47. The report noted that while gender issues may not have been fully analysed and integrated at project design, for some projects the results showed high relevance and good performance on gender equality and women's empowerment. Management noted that depending on the entry points such as commodity selection and rural finance, for example, it was possible to engage women more directly.
48. The Committee further took note of Management's account of actions being taken to enhance self-evaluation systems and processes, such as the development effectiveness framework, already presented to members in a seminar; capacity development efforts through the Country Programme Manager Academy, to be launched soon; and a thorough revision of the Results and Impact Management System.

Agenda item 8: Evaluation synthesis on environment and natural resource management

49. The Committee considered document EC 2016/94/W.P.7 and its addendum, containing, respectively, the Evaluation synthesis report on environment and natural resource management, covering the period 2010-2015, and the Management response thereto. The Committee welcomed the first evaluation synthesis on environment and natural resource management as addressing an important issue, given that IFAD's target groups depended on natural resources for their livelihoods.
50. Overall, the Committee welcomed the findings and recommendations of the synthesis, and emphasized the need to establish a link between environment and natural resource management and poverty reduction. Through initiatives such as ASAP and SECAP, IFAD continued to strengthen its interventions on the environment, natural resource management and climate change.
51. The Committee noted Management's positive response to the findings and recommendations of the synthesis report, and the commitment to pursue mainstreaming of environmental sustainability and climate resilience in IFAD's policies, business processes and investment programmes. New project designs would undergo a mandatory environmental, social and climate risk screening, and Management would continue to identify and secure environment and climate financing.
52. IOE provided clarification on the methodology used in conducting the synthesis and noted that although there was a lapse of time between project implementation and the evaluation, environment and natural resource management had been a priority area for IFAD even before 2010. The Committee expressed the view that the report would have benefited from lessons learned through ASAP, TerrAfrica and the implementation of the SECAP and other recent related initiatives. IOE explained that while the synthesis report had coincided with the midterm review of ASAP, the results could not be taken into account as the review was only in its initial stages. Furthermore, in consultation with Management, it was agreed that a greater focus

on climate change should not be achieved at the expense of environment and natural resource management.

53. Regarding the relationship between the Annual Report on Results and Impact of IFAD Operations (ARRI) and the Report on IFAD's Development Effectiveness (RIDE), and the differences in findings between self-assessment and the independent evaluation, the Committee was informed that both IOE and Management were working on a harmonization agreement to address this issue.
54. Responding to a question on IFAD's access to the Green Climate Fund, Management indicated that a team was on the ground to address the required safeguards. The Committee would be informed of the results of the process.

Agenda item 9: Provisional agenda of the Evaluation Committee for 2017

55. The Committee discussed its revised provisional agenda for 2017, as contained in document EC 2016/94/W.P.8, and noted the proposed agenda for the four planned sessions of the Evaluation Committee and the dates as approved at its ninety-second session.
56. Responding to a concern raised by a member that the July session overlapped with the summer holidays, the Office of the Secretary noted that the dates had been selected based on the common calendar of the Rome-based agencies to accommodate all participants as far as possible.
57. A member noted that the preview budget item appeared twice on the agenda; the document would therefore be revised to remove "preview" from the title of the budget document for the October 2017 session. In view of the full agenda for the September session, a member requested that arrangements be made for extended interpretation coverage, which it was agreed, would be done.
58. Finally, the Committee agreed with the proposal by Management to include the corporate plan on decentralization on the agenda of its ninety-fifth session, at which the corporate-level evaluation on decentralization would be considered. This would allow Management to benefit from and incorporate the Committee's insights and comments before the presentation of the plan to the Board in December 2016. However, given the tight schedule, the document would be shared with the Committee less than four weeks prior to the session.

Agenda item 9: Other business

59. Under this item, the Committee discussed the following items:
 - (a) The timeline for a potential peer review of IOE. The Committee noted the proposed timeline for a peer review of IOE and requested IOE to submit a document in this regard for further review, including information on the frequency and rationale of peer reviews.
 - (b) Introduction of the new IOE Deputy Director. Following his formal introduction by the Director, the Committee welcomed Mr Fabrizio Felloni as the new Deputy Director of IOE.
60. After thanking all members for their active participation in the deliberations, the Chairperson closed the session.