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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Evaluation Committee – Third Special Session

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**WORK PROGRAMME AND BUDGET FOR 2004 OF THE
OFFICE OF EVALUATION**

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ABBREVIATIONS AND ACRONYMS

ACP	Agreement at Completion Point
ARRI	Annual Report on the Results and Impact of IFAD Operations
BSF	Belgian Survival Fund
CLE	Corporate Level Evaluation
CLP	Core Learning Partnership
CPE	Country Programme Evaluation
COSOP	Country Strategic Opportunities Paper
EOI	Expression of Interest
FLM	Flexible Lending Mechanism
IEE	Independent External Evaluation
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
OE	Office of Evaluation
PA	Western and Central Africa Division
PDT	Project Development Team
PF	Eastern and Southern Africa Division
PI	Asia and the Pacific Division
PL	Latin America and the Caribbean Division
PMD	Programme Management Department
PN	Near East and North Africa Division
TAG	Technical Assistance Grant
TE	Thematic Evaluation
TP	Technical Proposal

I. INTRODUCTION

A. Background

1. This is the first Work Programme and Budget produced by OE independently from IFAD Management following the approval of the IFAD Evaluation Policy by the Executive Board during its April 2003 session. The objective of this document is to:

- (a) provide the Evaluation Committee with an overview of the 2004 Work Programme and Budget of the Office of Evaluation (OE); and
- (b) enable discussion with Committee members on key issues related to the 2004 Work Programme and Budget, so as to benefit from its guidance before preparing OE's final submission for the December 2003 Executive Board for approval, in conformity with the provisions of the IFAD Evaluation Policy¹.

2. This document is the result of various interactive processes. Firstly, an OE brainstorming was held in June to define the priorities and objectives for 2004. Then, OE scanned the information on project pipeline development and country strategy² formulation contained in IFAD's Project Portfolio Monitoring System, the Planned Project Activities document prepared by the Programme Management Department (PMD) and other relevant documents. This was necessary for OE to gain first hand information on those: (a) projects for which PMD plans to design a follow-up phase; and (b) identify countries where a new Country Strategic Opportunities Paper (COSOP) needs preparation or existing COSOP needs updating. Based on this review, OE generated a list of evaluation activities for 2004.

3. Subsequently, OE invited PMD to comment on the division's Work Programme priorities and evaluations planned for 2004, as well as possible pipeline activities for 2005. This was done to ensure that PMD allocates adequate staff time and provides the necessary information to OE for a smooth conduct of the various evaluations. It also allowed to determine the start and end dates of each activity, which would serve as a basis for PMD to plan the preparation of the corresponding strategy or formulation of a further phase of the concerned project/programme. Finally, OE met with IFAD's Senior Management Team in July to discuss with them the planned OE programme for 2004, particularly the proposed Corporate Level Evaluation (CLE) for 2004.

4. In summary, OE's final Work Programme and Budget proposal for 2004 will draw on the guidance provided by the Evaluation Committee in September and October, as well as the Executive Board in September and during the planned Executive Board seminar on the topic in early November.

5. This document is organised into four main sections plus annexes. Section I contains the background to, and the process followed in, formulating the Work Programme and Budget. Section II includes a review of achievements in 2003, whilst Section III provides an outline of the division's strategic objectives and priorities for 2004. Finally, Section IV includes details of the Work Programme in terms of the proposed evaluation activities that will be undertaken, and the human and financial resources required to discharge the proposed annual Work Programme.

¹ OE provided a preview of its Work Programme and Budget for 2004 to the Evaluation Committee and Executive Board respectively during their September 2003 sessions. Following further discussions on the topic with the Committee on 27 October and based on the additional comments received, OE will develop a final proposal for approval by the Executive Board in December and the Governing Council in the following year.

² More specifically, this refers to the Country Strategic Opportunities Paper (COSOP)

II. REVIEW OF ACHIEVEMENTS IN 2003

6. In 2003, OE's priorities were: (i) assessing, communicating and learning from results and impact; (ii) contributing to IFAD's catalytic role; and (iii) strengthening relationships with IFAD's governing bodies on evaluation. Among other activities, in relation to its approved 2003 Work Programme, OE undertook³ the corporate level evaluation (CLEs) of IFAD's supervision modalities, worked on six Country Programme Evaluations (CPEs), seven Thematic Evaluations (TEs) and fourteen project evaluations. OE prepared the first Annual Report on the Results and Impact of IFAD Operations (ARRI), developed the new methodology for CPEs, and worked on the customisation of the M&E Guide. OE also organised three regular and three special sessions of the Evaluation Committee, prepared various documents for the Executive Board and continued its work in enhancing the communication of evaluation results. OE managed to implement its planned Work Programme for the year, in spite of a number of additional unforeseen activities it was requested to undertake, such as the preparation of the Evaluation Policy and supervision of the Independent External Evaluation. In the next three sections a more detailed summary is provided of the main achievements in the three priority areas.

A. Assessing, Communicating and Learning from Results and Impact.

7. Three major activities were the focus of this priority:

8. **Project evaluation methodology development and usage.** OE organised a workshop at the beginning of the year to discuss and further refine the new Methodological Framework for Evaluation (MFE), which was initially piloted in all project evaluations conducted in 2002. The workshop brought together OE staff and concerned evaluation's consultants. Consequently, the division fine-tuned the MFE and applied it accordingly in all project evaluations conducted in 2003. This has led to greater consistency in analysis and reporting across all evaluations. In this regard, a new standardised table of contents based on the MFE was introduced for project evaluations in 2003.

9. The MFE has provided the foundations for the production of the first ever Annual Report on the Results and Impact of IFAD operations (ARRI). The report was presented together with the MFE to the Evaluation Committee and was also discussed with the Executive Board during its September 2003 session. The report has provided IFAD management and the Executive Board with a consolidated picture of the results and impact of IFAD's operations evaluated in 2002, highlighting key areas of strategic and operational importance. Because it represented OE's first attempt in this regard, focus was put more on the process than on specific results. A number of implications for IFAD's future operations were noted, including the need to develop more effective strategies to reach the poorest, the importance of applying rigorous test of sustainability at project design stage and the imperative of stressing the promotion and scaling up of successful innovations to fully realise IFAD's catalytic role. The Evaluation Committee and the Executive Board provided useful comments on both the ARRI and MFE, which will be taken into consideration while preparing the next ARRI.

10. During the year, OE began formulating a more coherent methodology for conducting CPEs. Such evaluations are becoming more important in view of the growing emphasis given to COSOPs and the inputs the CPEs are expected to provide to the COSOP formulation process. In fact, while adopting the procedures for reviewing COSOPs during its December 2002 session, the Executive Board decided that whenever available, the CPE including the Agreement at Completion Point (ACP), will be attached to the COSOP document submitted for consideration. The new methodology will be tested on a pilot basis in the CPEs to be undertaken in 2004.

11. **Supporting the establishment of impact-oriented M&E systems at the project level.** In 2002 OE finalised the development of the Project Guide for M&E for IFAD-supported projects. This

³ See Annex Two for a full list of evaluation activities undertaken in 2003.

is a key instrument for monitoring implementation progress, learning and enhancing project results. OE has since embarked on the customisation of the M&E Guide in order to ensure a systematic utilisation of the guide and understanding of the concepts it contains. The customisation process involves the adaptation of the guide to regional specificities and requirements including, *inter alia*, the translation of the Guide or parts of it into regional languages, training of project staff and others, the identification of regional resources in M&E and so on. In fact, during 2003, OE undertook further work in customising the IFAD M&E Guide in the West and Central Africa (PA) and Asia and Pacific (PI) regions and initiated similar processes in the Eastern and Southern Africa (PF) and Near East and North Africa (PN) regions.

12. **Contribution to IFAD's Organisational Development through CLEs.** Under this priority, OE finalised the CLE of Supervision Modalities in IFAD-supported Projects. The evaluation concluded that overall, the Minimum Supervision Requirements for the Co-operating Institutions introduced by the Governing Council decision of 1997 are currently met, but that the standards they embody are below what an institution with IFAD's mandate and experience in poverty reduction should be aiming at. IFAD continues to supplement the work of its Co-operating Institutions and provides large implementation support for the projects over and above the supervision efforts of the Co-operating Institutions. Despite its importance and the large amount of resources it absorbs IFAD has not developed clear operational policy and priorities to guide the utilisation of this support. Its impact on project performance could not therefore be established. The evaluation also concluded that no major leap forward in supervision performance is to be expected under the current modalities and that a more innovative approach is needed to move supervision to a higher plateau of performance. The main conclusions and recommendations of this evaluation will be presented to the Evaluation Committee during its December 2003 session. While the evaluation mainly examined issues related to supervision performed by IFAD co-operating institutions, it also provided some initial insights on supervision directly undertaken by IFAD in the context of the direct supervision pilot programme initiated in 1997.

13. Although OE had tentatively planned to begin another CLE in December 2003 on IFAD's Experience with the Flexible Lending Mechanism (FLM), it was decided to defer such an evaluation until 2005 or later. The main rationale for this decision was that, as of today, only few programmes based on the FLM instrument have reached the first implementation phase in their programme cycle⁴. Therefore, IFAD has so far accumulated limited implementation experience with the FLM tool to enable an in depth evaluation analysis of the FLM approach. With regard to the planned Evaluation of IFAD's Approaches and Policy on Gender Equity and Empowerment of Women, to be initiated in November 2003, OE would like to discuss with and seek the guidance of the Evaluation Committee (see paragraphs 52-54).

B. Contributing to IFAD's Catalytic Role

14. Under this priority area, OE contributed through its evaluations to two key areas through which IFAD can enhance its catalytic role, namely (a) replicating and up-scaling innovative approaches; and (b) promoting pro-poor policy dialogue. In this regard, OE undertook a number of TEs and CPEs which served *inter alia* to assess IFAD's performance in promoting innovative approaches in its operations, and on the other hand, to identify key policy issues for discussion with multiple stakeholders. A summary of the main activities in this priority area is provided in the following paragraphs.

⁴ Programmes funded using the FLM normally have two or three implementation phases. The approval to proceed to the subsequent phase is granted by IFAD management, following the undertaking of a mid-term review that assesses whether or not the objectives ("triggers") established during design have been satisfactorily met for the phase under review.

15. **Promoting innovative approaches.** OE completed the TE on local knowledge and innovations in the PI region. A regional stakeholders' workshop was held in Bangkok in July to discuss the findings and recommendations of the evaluation. Among various issues, the evaluation highlighted the absence of a policy commitment towards promoting local knowledge and innovations in the PI regional strategy, most COSOPs and the projects. It also noted that beneficiaries are not given sufficient decision-making responsibilities in project activities, which therefore does not encourage local ideas and experiences to be appropriately considered during the implementation phase. As one of the ways to promote local knowledge, the evaluation recommended that, as far as possible, funds should be released directly to Community Based Organisations (CBOs) so that they can implement development activities in which they have a decision-making role.

16. Before the end of 2003, OE will complete the TE on innovative approaches in Peru. This evaluation included the preparation of six technical papers capturing various aspects of IFAD's innovative work in the country, *inter alia*, on the socio-economic and institutional innovations at the local level and impact of IFAD-promoted innovations from the beneficiaries perspectives. Finally, OE initiated at the end of the year the thematic evaluation of IFAD's experiences with organic agriculture in PI focusing on China and India. This evaluation builds on a similar evaluation completed by OE in Latin America and the Caribbean (PL) in 2002. The consolidation of the results of the two evaluations is expected to contribute to the development of an approach for IFAD with regard to organic agriculture.

17. **Promoting policy dialogue.** In 2003, OE completed CPEs in Senegal and Tunisia. In this regard, OE organised two national roundtable workshops in M'bour and Tunis, both in July, to discuss the results of the CPEs. The Tunisia CPE revealed that more than 230 000 beneficiaries have been reached and that the programme has performed well in terms of outputs, although the sustainability of impact is less assured. The CPE recommends, *inter alia*, that in the future a better balance should be achieved between addressing the needs of the target group and the efforts invested in developing pro-poor policies for rural poverty alleviation. The Senegal CPE was conducted between November 2002 and May 2003. In Senegal IFAD has one of its largest portfolios in West and Central Africa. The CPE found a positive trend in single projects' performances and significant results at the local level. Sustainability, however, remains an issue. Project exit strategies should be made more explicit from the outset. Furthermore, the overall portfolio does not yet have all the features of a consistent country programme, based on a shared strategy. Linkages and synergies between interventions at the village level, support to local area development and country wide institutions, programmes and policies should be reinforced in order to increase outreach and generate multiplier effects.

18. Field work in relation to the CPE in Indonesia was completed in August. In this context, as part of the CPE, OE organised two self assessment studies by the beneficiaries and the staff of IFAD-funded projects in the country. The Evaluation Committee has been invited to participate in the final CPE discussions planned for March 2004 in Indonesia to develop the ACP. Finally, in 2003 OE initiated CPEs in Benin, Bolivia and Egypt.

19. OE is in the process of preparing for a regional stakeholders' workshop on agricultural extension and support for farmer innovations in the PA region. This is the final step in TE on the same topic conducted by OE. The workshop will be held in the first quarter of 2004 in Mali and its objectives are to provide a platform to discuss the results of the evaluation and develop the ACP, as well as to organise an exhibition and exchange of farmers' innovations.

20. Finally, three other ongoing activities are due to be finalised in 2004. The TE on Rural Financial Services in Eastern Europe, for which field work in Albania, Romania, Moldova and Georgia has been already undertaken during 2003. In addition, OE is currently preparing the approach papers for the TEs on IFAD's experiences in Decentralisation in PF covering Ethiopia, Tanzania and

Uganda and for the thematic evaluation of Marketing and Competitiveness in PA. Both evaluations are expected to be completed in 2004.

C. Strengthening Relationships with IFAD's Governing Bodies on Evaluation

21. As in 2002, OE devoted a substantial part of its resources to enhancing its relations with IFAD's Governing Bodies on evaluation.

22. **IFAD Evaluation Policy.** First and foremost, OE prepared the IFAD Evaluation Policy building on the discussions held in the context of IFAD's Sixth Replenishment in 2002. The policy was discussed and approved by the Executive Board in April 2003. It provides an explicit policy framework concerning evaluation principles, policies, strategies and instruments to be used by OE in its independent work. It also specifies the operational procedures, organisational measures and other arrangements required to ensure OE's independence from IFAD management and to enhance its effectiveness. Some of the main changes brought about by the Evaluation Policy are as follows: (a) OE now reports directly to the Executive Board independently of the IFAD President; (b) the Director of OE was appointed by the Executive Board upon the nomination of the President for a period of five years during the April 2003 Executive Board session; (c) OE has been vested with full responsibility to prepare its annual Work Programme and Budget and to submit it to the Executive Board independently from IFAD management; (d) the President has delegated authority to make all personnel and operational decisions concerning OE staff and consultants to the Director of OE; and (e) OE shall issue evaluation reports without the need for clearance from anyone outside of OE.

23. In order to ensure the smooth implementation of the Evaluation Policy, OE held discussions with various IFAD organisational units and worked out a number of new internal arrangements and procedures in the following areas: relations with the Office of the President and Vice President, Administrative Services, Budget and Finance, Human Resources, Management Information Services, Programme Management and Operations, relations with the Secretary's Office and Internal Audit services. The President is now to issue a President's Bulletin summarising these operational arrangements and procedures governing the relationship between OE and the other IFAD units in the future.

24. **External Evaluation.** Following the decision of the Executive Board in April 2003, OE was entrusted with the responsibility of supervising the undertaking of the Independent External Evaluation (IEE), on behalf of, and accountable to, IFAD's Executive Board. Therefore, in 2003, as per the decisions of the Executive Board, *inter alia*, OE: (i) developed the IEE's terms of reference and had them endorsed by the Steering Committee; (ii) developed the detailed budget proposal and had it approved by the Executive Board; (iii) organised with the support of the Administrative Services Division of IFAD a competitive international bidding process⁵ and is about to recruit the service provider to undertake the IEE; (iv) assembled a two-person senior independent advisory group to provide guidance and counsel OE at critical stages of the IEE; (v) organised a meeting of the Steering Committee to endorse the IEE's terms of reference and to discuss related issues; and (vi) submitted two progress reports to the Executive Board on the IEE. The selected service provider is expected to deploy its consultants by the end of November after which the IEE will enter its inception phase. The IEE will be completed by the end of 2004, and is expected to generate findings and insights that will serve as inputs for the discussions on the Seventh replenishment of IFAD resources.

⁵ This included the preparation of the evaluation criteria for assessing the expressions of interests (EOIs) and the comprehensive technical proposals (TPs) made by the short-listed service providers. For this purpose, OE set-up a four-person technical evaluation panel, which was responsible for evaluating the EOIs and TPs. The selection process essentially involved two key phases. Phase one constituted reviewing the 16 EOIs received, which led to a short list of six service providers who were invited to submit comprehensive TPs. The second phase included evaluating the TPs, leading to a short-list of three service providers who were invited to Rome for further discussions and interviews.

25. **Reports presented to the Evaluation Committee and Executive Board in 2003.** In addition to the IFAD Evaluation Policy, OE presented the Annual Report on Evaluation for 2002 to the Executive Board in April 2003. The Annual Report on Evaluation provided an overview of the activities undertaken by the division in 2002 and a summary of the work and key issues discussed by the Evaluation Committee during its sessions in 2002. As mentioned earlier, the first ARRI was discussed both with the Evaluation Committee and Executive Board in September 2003.

26. Moreover, as planned, OE organised two regular sessions of the Evaluation Committee in April and September, respectively. During the April Evaluation Committee session, it discussed the Evaluation Policy and the OE Work Programme for 2003. In September, it considered the ARRI together with the MFE, and the evaluation of the Philippines Rural Micro-Enterprise Finance Project, as well as the preview of OE's Work Programme and Budget for 2004. For the first time, based on the demand of selected Evaluation Committee members, OE provided the Evaluation Committee with the full evaluation report including the ACP on the Philippines project, rather than just the evaluation summary for discussion as per the past practice. Finally, during the planned December Evaluation Committee session, OE will present the results of the CLE on Supervision Modalities in IFAD-supported Projects and the evaluation of the Venezuela Falcon and Lara Project, as well as define the Evaluation Committee's provisional agenda for its sessions in 2004.

27. OE also organised three special sessions of the Evaluation Committee during 2003, including two on the IEE in March and April respectively and one in October on the OE 2004 Work Programme and Budget.

D. Other Activities

28. As in 2002, OE made efforts to ensure appropriate communication of the results and outputs of its evaluation activities. All evaluation reports, together with the corresponding executive summaries and Agreements at Completion Points finalised in 2003 were posted on the IFAD Internet web site under the evaluation section and hard copies were distributed to all Executive Board directors, IFAD staff and evaluation outfits of various other international development organisations. Evaluation Profiles were produced for all completed evaluations and an Insight was produced on micro-finance, based on the interim evaluation in the Philippines project (see paragraph 25). Other Insights, for example, on the Tanzania CPE and on the Organic Agriculture TE in PL will be ready by the end of 2003.

29. OE participated in March 2003 in Paris in a meeting of the UN Inter-Agency Working group on Evaluation and also took part in a conference on Partners in Development Evaluation – Learning and Accountability, organised by the Organisation of Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) and the Government of France. Finally, the OE Director participated on the United Nations Economic and Social Council panel on lessons learned from evaluation, which was held in July in Geneva.

E. Taking Stock of 2003

30. **Consequences of the introduction of the new evaluation methodology and the production of ARRI.** OE experience has illustrated that the effective application of the evaluation methodology (both the MFE and CPE methodology) is a determining factor in OE's capability to assess the performance and impact of IFAD operations. Therefore, it is important for each project evaluation team to implement rigorously the MFE. Some teething problems were experienced with the MFE during 2002, as would be expected with the implementation of a new methodology. For instance, compliance by evaluation missions to the new methodology was not perfect. Among other aspects, it was noted that greater efforts need to be made to gather adequate quantitative and qualitative data and information from the field to allow for a proper analysis on each evaluation criteria contained in the MFE. This is necessary to achieve a common level of analysis and reporting across all project evaluations prepared by OE. It was also noted that the questions included in the impact matrix are

somewhat complex to handle and can be streamlined. These issues and others were discussed in the OE review workshop (see paragraph eight). The recommendations of the workshop were used in revising the methodology.

31. The revised MFE, which was discussed with the Evaluation Committee in September 2003, is currently used in all OE project evaluations. This will help ensure that the methodology is applied more consistently and in turn facilitate the production of the ARRI. Monitoring the implementation of the methodology and corresponding adjustments will have to be a continuous function. Clearly, the implementation of the MFE requires close oversight, for which OE will have to devote more of its resources in the future. The production of the ARRI in itself involves a major effort and time by the staff in charge to consolidate evaluation findings and synthesise insights. In the discussions of the first ARRI by the Evaluation Committee and Executive Board in September 2003 suggestions and comments were made for improvement, which will be taken into consideration in the 2004 ARRI.

32. Furthermore, in line with the decisions of the new IFAD Evaluation Policy, in 2003 OE invited staff from IFAD-supported projects and the beneficiaries to provide self-assessments. Such exercises provide key project partners a chance to express their perceptions and opinions about impact and the broad opportunities and challenges of IFAD-supported activities. OE recognises the importance of self assessments. However, it is also cognisant of the need to further develop its approach to promoting effective self-assessments, so that they can make a truly meaningful contribution to OE's independent evaluation analysis. Moreover, the self-assessments must be validated and further supplemented by OE through original research and primary data collection. There is not yet a final agreement in the division on the scope this validation through original research should take in each evaluation. This is another issue that OE will address through its methodological development work in 2004.

33. **Consequences of the new Evaluation Policy.** The approval of the Evaluation Policy has resulted in OE now reporting directly to the Executive Board and understandably accelerated the increase in the amount of work and time that the office has to devote to issues related to the Executive Board and the Evaluation Committee. For example, OE is now to produce and submit, on an annual basis, its Work Programme and Budget for consideration by the Evaluation Committee and ultimate approval by the Executive Board. Another example is the production for the first time of the ARRI for discussion both with the Evaluation Committee and the Executive Board.

34. The frequency and intensity of interaction with such Governing Bodies is also reflected by the fact that over and above the usual three sessions of the Evaluation Committee planned for each year, in 2003, OE organised an additional three special sessions of the Evaluation Committee, as well as two meetings of the List Convenors and Friends devoted to evaluation issues. The additional meetings necessitated, among other things, the preparation and organisation of the sessions, including the preparation of the minutes and facilitating reporting of the Evaluation Committee to the Executive Board. Preparations for participating in two informal Executive Board seminars on the Work Programme and Budget (one in September and the forthcoming one planned in November) are other examples of OE's enhanced interaction in 2003 with the Executive Board and Evaluation Committee.

35. The increased interaction with the Executive Board and the Evaluation Committee to meet the requirements of the independent evaluation function in IFAD is in particular absorbing a substantial part of the OE Director's time. So does the supervision of the IEE which is a very demanding task for OE. In view of these incremental responsibilities, the Director of OE was compelled to delegate a significant number of tasks related to the internal management of OE to his senior evaluation officer, who *de facto* has become his deputy. The implications of the increased interactions with the Executive Board and the Evaluation Committee on OE's existing human resources will have to be taken into account in developing the 2004 evaluation Work Programme and Budget.

36. **Use of Technical Assistance and Belgian Survival Fund Grants.** As in the past, OE relied on the mobilisation of Technical Assistance Grant (TAG) resources to finance some components of its Work Programme in 2003⁶. For example, the production and customisation of the M&E Guide has been largely financed through TAG resources. While access to such resources can provide some amount of flexibility, these funds are not allocated at the beginning of a given year and gaining access to such funds cannot be taken for granted. In the reporting year, access to TAGs became more difficult than in the past, causing delays in the implementation of some evaluation activities in the 2003 OE Work Programme. In 2003, IFAD management decided to discontinue the use of TAGs for activities that can be financed through the administrative budget, such as for the organisation of workshops in developing countries. This will have an effect on OE's 2004 budget, given that OE regularly resorted to TAGs to finance, *inter alia*, the organisation of national roundtable workshops at the end of CPEs and TEs in the past.

37. **Size of the OE Work Programme.** Until the approval of the Evaluation Policy, OE's Work Programmes reflected to a large extent the requirements for evaluation work of its key partners, such as the operations divisions at IFAD. This resulted in a long list of evaluations which taxed OE resources. These resources were fixed because of the zero growth policy. Moreover, as in previous years, OE was involved in 2003 in a number of important extraordinary activities not planned for at the beginning of the year. Two such activities that have been among the most demanding ones include the preparation of IFAD's Evaluation Policy and OE's involvement in the IEE. Such activities caused further strain on the division's resources, in particular on its staff. Under these circumstances, the implementation of the OE Work Programme in 2003 was only possible thanks to the extraordinary efforts of OE staff, many of whom had to work long and intensive hours, including weekends.

38. In the past, on a number of occasions, the Executive Board and Evaluation Committee noted that they found the OE Work Programme quite demanding and on the larger side in terms of scope and number of evaluations. Past experience shows that, besides the limited resources available to the division, there is a limit to the capacity in the rest of IFAD to deal effectively with too many evaluation results in a given year. Therefore, OE's objective is to reduce slightly the size of the overall Work Programme to a more realistic level. OE will reduce the number of CPEs and particularly TEs that it will conduct in 2004.

39. In preparing its Work Programme for 2004, in addition to taking into consideration the above-mentioned factors, OE should make a careful estimation of the evaluation activities that will be carried over into 2004, and the corresponding human and financial resource requirements this will entail. In the past not enough time was reserved to such an analysis. This will now be a regular feature in all future Work Programme and Budgets as it will allow for a better understanding of how much OE can do in the subsequent year and what overall resources are required.

III. PRIORITIES AND OBJECTIVES FOR 2004

40. In developing its priorities and objectives for next year, OE has paid careful attention to the overall changes in IFAD's operating environment, the Fund's Corporate Priorities and Planning Framework for 2004 and the Strategic Framework 2002-2006. The proposed Work Programme and Budget for 2004 reflects OE's priorities in terms of independent evaluation activities, but at the same time is aligned with the evaluation-related requirements of the IFADs Sixth Replenishment objectives, actions and outputs⁷ (see Table One). For example, OE will contribute to meeting IFAD's corporate priorities of measuring results and impact by undertaking independent evaluation of a variety of IFAD-supported operations and policies, based on a consistent methodological framework that will facilitate the aggregation of IFAD's results and impact in the ARRI. As in the past, OE will contribute

⁶ In 2002 OE mobilised approximately USD 265 000 and in 2003 USD 345 000 through TAGs.

⁷ As reflected in Annex II of the Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006).

to promoting IFAD's catalytic role by conducting selected corporate level evaluations, CPEs and TEs at the regional level, which allow for dialogue on key pro-policy issues with concerned stakeholders. OE will devote a considerable amount of time to the IEE of IFAD, which will be implemented throughout 2004.

Table 1: OE Activities in relation to IFAD's Corporate Priorities & Planning Framework for 2004

Corporate Priorities for 2004 ⁸	OE Activities for 2004
1. Independent Evaluation Function	1.1 Full Implementation of the Evaluation Policy, including, <i>inter alia</i> , facilitating the revision of the terms of reference and rules of procedure of the Evaluation Committee and implementation of the 2004 Work Programme and Budget
2. Independent External Evaluation of IFAD Operations	2.1 Overall supervision of the evaluation process
3. Measuring Results and Impact	3.1 Independent Evaluation of selected IFAD Operations, Programmes and Policies 3.2 Methodological Framework for Projects and CPEs 3.3 ARRI 3.4 Support to self-evaluation processes at the project level through the customisation of the M&E guide
4. IFAD's Catalytic Role	4.1 Undertaking selected CLE, CPEs, and TEs

41. Another important consideration for OE in defining its evaluation programme is the need to ensure that, as far as possible, evaluation activities contribute to the corresponding planning process within IFAD. For example, interim evaluations⁹ are undertaken when there is an intention to formulate a further phase of the project being evaluated, so that the project formulation can be informed by the findings and recommendations of the interim evaluation. CPEs are normally undertaken as far as possible in countries with large portfolios where there is an intention to prepare a COSOP following the completion of the CPE. Similarly, CLEs are undertaken, in particular, when decisions need to be taken on the continuation or the re-direction of a particular corporate policy.

42. Based on the above considerations, OE has identified three main priority areas for 2004. These are:

- (a) **Evaluation work requested by the Executive Board and Evaluation Committee and/or included in the consultation report of the Sixth Replenishment of IFAD.**
- (b) **Conduct of selected CLEs, CPEs, TEs and project evaluations.**
- (c) **Further development of the evaluation methodologies.**

43. The first priority is a reflection of the fact that OE now reports to the Executive Board independently of IFAD management. The new reporting arrangements have important implications for the evaluation programme, as it must comply with the provisions outlined in the Evaluation Policy and also meet specific requirements of the Executive Board. The second priority responds to the need

⁸ As contained in the IFAD "Corporate Priorities and Planning Framework for 2004"

⁹ Interim evaluations are mandatory before a further phase of a project is embarked on or a similar project is launched in the same region of a given country (IFAD Evaluation Policy – Paragraph 20(ii))

to assess independently the performance and impact of selected IFAD-supported operations and policies. Finally, the third priority will contribute to enhancing OE's capabilities to assess and measure impact and effectiveness of IFAD's operations and the performance of the various partners engaged in IFAD-supported activities.

44. As mentioned in Section II E (Taking Stock), in 2004 and future years OE will endeavour to strengthen the quality of its work and devise a Work Programme of a realistic scope and size. As a reference, this would on average correspond to about ten project evaluations and six 'higher plane' evaluations (e.g. CLEs, CPEs and TEs) undertaken in a given year.

IV. WORK PROGRAMME AND BUDGET FOR 2004

A. Main Features of the Work Programme

45. **Priority One: Evaluation work requested by the Executive Board and Evaluation Committee and/or included in the consultation report of the Sixth Replenishment of IFAD.** Four main activities will be involved under this priority, namely:

- (a) The overall supervision of the Independent External Evaluation (IEE);
- (b) Revision of the terms of reference and rules of procedure of the Evaluation Committee;
- (c) Annual Report on the Results and Impact of IFAD Operations (ARRI) evaluated in 2003;
- (d) Implementation of OE's Work Programme and Budget for 2004 and preparation of the one for 2005.

46. As per the time table of events contained in the IEE's terms of reference, the desk studies, field work, evaluation analysis, report writing and discussions on the IEE's results will be undertaken in 2004. In this regard, given the role entrusted to OE by the Executive Board, *inter alia*, OE will provide overall guidance to the IEE's service provider (evaluation team) and ensure that the evaluation team conducts its work in accordance with the methodology adopted and TOR approved by the Steering Committee. OE will also organise, as and when required, consultations with the Steering Committee and the Executive Board. In addition, OE will have to approve the inception report of the service provider and prepare status reports on the progress of the IEE, which will be presented to each Executive Board session during 2004.

47. As per the decision of the Executive Board in April 2003, the Evaluation Committee will revise its terms of reference and rules of procedures in 2004. The objective is to ensure that the Evaluation Committee plays an appropriate role in supporting the Executive Board, especially in light of the adoption of the Evaluation Policy. Issues, *inter alia*, such as the duration and frequency of Evaluation Committee sessions, the number of evaluations to discuss per meeting, the reporting procedures to the Executive Board, and other aspects of the Evaluation Committee's *modus operandi* are expected to be discussed. In this regard, OE will play a facilitation role in preparing the necessary background documentation for the Evaluation Committee and organise the deliberations, which will ultimately result in a proposal being made for the Executive Board's decision in 2004.

48. During 2004, OE will organise three regular sessions of the Evaluation Committee and additional special sessions, as and when required. In addition, it will organise in the first quarter of 2004 a field visit for Evaluation Committee members in connection with the Indonesia CPE national roundtable workshop. This will provide the Evaluation Committee with the opportunity to see IFAD-assisted operations on the ground, hold discussions with various partners and participate in the concluding discussions on the results and recommendations of the Indonesia CPE.

49. OE will prepare the second ARRI in 2004 and present it to the Evaluation Committee and Executive Board during their respective September 2004 sessions. The second ARRI will be built on the various projects evaluations undertaken using the MFE in 2003 and also on the CPEs that will be

carried out using the new CPE methodology developed in 2003. Furthermore, the production of the second ARRI will benefit from the suggestions and guidance provided by the Executive Board Directors and Evaluation Committee members while discussing the first ARRI in September 2003.

50. Finally, the division will implement fully the provisions contained in the IFAD Evaluation Policy. This will include, *inter alia*, the implementation of the first independent evaluation Work Programme in 2004, and the preparation of OE's Work Programme and Budget for 2005 to be discussed both with the Evaluation Committee and the Executive Board, initially in September 2004 and subsequently in December 2004 for final Executive Board approval. Furthermore, OE will ensure that a number of IFAD internal implementation and organisational arrangements that are required to ensure a smooth implementation of the new Evaluation Policy are implemented and adhered to. These arrangements are expected to be published in a President's Bulletin soon.

51. **Priority 2: Conduct of corporate level, country programme, thematic and project evaluations.** Corporate Level Evaluations aim to assess the performance and impact of IFAD-wide policies, strategies, instruments and approaches. They are expected to generate findings and recommendations that can be used for the formulation of new and more effective policies and strategies by IFAD management.

52. As mentioned in paragraph thirteen, OE had planned to start in November 2003 preparatory work on the Corporate Level Evaluation on IFAD's current Approach and Policy on Gender Equity and Empowerment of Women. The evaluation would be mostly conducted in 2004. The objectives of the evaluation would be to assess the effectiveness of IFAD's operational approaches in addressing gender issues in the development activities it supports, to examine the elements of gender policy existing at corporate level so far and their relevance to the current IFAD's strategic imperatives and to propose future direction of change if needed.

53. However, based on the emerging conclusions and results of the CLE of Supervision Modalities in IFAD-supported Projects, OE believes that it may be more useful to deepen the understanding of IFAD and its partners concerning the overall supervision mechanisms by undertaking a CLE specifically focusing on the direct supervision pilot programme. Such an evaluation would build on the work done in the context of the CLE of Supervision Modalities in IFAD-supported Projects (which could not deal sufficiently with issues relating to direct supervision). The proposed evaluation would closely assess the experiences in supervising the fifteen projects included in the direct supervision pilot programme, as approved by the Executive Board in 1997, and the effect of direct supervision on projects performance and institutional learning in comparison with supervision by Cooperating Institutions.

54. CLEs entail a vast amount of work and, in fact, are the most complex and resource-demanding type of evaluation conducted by OE. In order to ensure a high quality and timeliness in the delivery of such evaluations, past experience has illustrated that it is judicious to undertake only one CLE a year. This is crucial to ensure sufficient time to thoroughly discuss the findings and insights with IFAD management staff and the Executive Board, as well as to develop the ACP. Therefore, OE would like the guidance of the Evaluation Committee in determining which CLE it should undertake in 2004. That is, whether OE should stick to the planned evaluation on gender or replace it with the evaluation of the direct supervision pilot programme. During its session on 5 September 2003, while expressing an initial preference for the evaluation on direct supervision, the Evaluation Committee decided to defer a final decision on this matter till its meeting on 27 October.

55. Country Programme Evaluations. The objective of the CPEs is to provide an assessment of the performance and impact of IFAD-supported programmes as embodied in the COSOP. Based on such assessments, they are expected to provide building blocks in the form of findings and recommendations to inform IFAD and its partners in the formulation of new COSOPs. Towards the end of each CPE, OE facilitates a national roundtable workshop, which provide a forum for the main

CPE users to discuss the key results of the evaluation and formulate the ACP as well as to raise attention to policy issues that require additional reflection and follow-up by various partners.

56. In 2004, OE will work on four different CPEs. However, in terms of work load as defined in paragraph 60, the division will fully work on around two and a half CPEs during the twelve months in 2004. More specifically, OE will finalise the Indonesia CPE in March, and as mentioned in paragraph 49, the Evaluation Committee members have been invited by the Government of Indonesia to participate in the roundtable workshop to be held in Indonesia in the first quarter of 2004. The CPEs in Benin, Bolivia and Egypt, which started in the last quarter of 2003 are planned to be completed by September 2004.

57. Thematic Evaluations. TEs are designed to assess the impact and effectiveness of IFAD's processes and approaches and to contribute to increasing IFAD's knowledge on selected issues and subjects. They are expected to provide building blocks in the form of findings and recommendations for PMD to revisit or formulate new and more effective operational strategies and policies in particular at the regional level. They not only draw upon findings from project evaluations and CPEs, but also on a variety of external information and external advisory panels and incorporate participatory features such as broad consultation, workshops, and enhanced dissemination.

58. OE will work on three TEs next year. These include: (a) the impact of IFAD-supported decentralisation efforts in PF focusing on Ethiopia, Tanzania and Uganda, which will assess how IFAD-supported interventions have been designed and implemented in the context of decentralisation efforts in these countries; (b) Marketing and Competitiveness in West and Central Africa, focusing on the impact of trade policies on small and marginal producers in the context of IFAD-supported operations and providing the foundations for IFAD's policy dialogue on trade reforms in the region; and (c) Organic Agriculture in Asia, primarily focusing on operations and activities in China and India. The objectives of this evaluation are to assess the results and impact of the IFAD-supported projects with organic agriculture components focussing, *inter alia*, on the overall production systems, farm gate prices and marketing. Each of these TEs will be completed by the end of 2004.

59. Project Evaluations. In terms of absolute numbers, in 2004 OE will work on fifteen project evaluations, of which thirteen will be interim evaluations and two completion evaluations. Out of the fifteen, six project evaluations will be initiated and fully completed within the year, whereas OE shall complete four evaluations started at the end of 2003 and commence five evaluations in the last quarter of 2004, to be completed in 2005. Although OE will work on a total of fifteen project evaluations during the year, in terms of work load (i.e. human and financial resources involved) the division will undertake the equivalent of around twelve full project evaluations during the arch of the year. In 2004, OE will numerically work on eleven new interim evaluations (mandatory) as against nine in 2003. This increase is a reflection of the greater number of projects with a follow-up phase that IFAD plans to formulate in 2004 and 2005.

60. In order to give the Evaluation Committee more information on the type of operations that OE plans to evaluate in 2004, a summary of the objectives and components for each of the fifteen projects included in the work plan is provided in Annex Four. The same Annex contains information on the country programmes that OE will evaluate next year (see paragraphs 56 and 57). Information on the TEs OE plans to undertake in 2004 is contained in paragraphs 58 to 59.

61. Finally, the criteria OE uses for selecting and prioritising evaluation activities that it will undertake in a given year is contained in Annex Five.

62. **Priority Three: Development of evaluation methodology.** The ultimate objectives under this priority are to: (a) enhance OE's capabilities to assess and measure the impact and performance of IFAD policies and operations; (b) better assess the performance of its key partners engaged in these

operations; and (c) improve learning from evaluation in designing and implementing projects and programmes, as well as devising strategies and policies.

63. In 2004, OE will apply its recently-developed MFE in all project evaluations. However, in order to ensure an effective application of the methodology across all evaluations, OE will need to allocate an appropriate amount of one existing staff member's time to overseeing and monitoring such application (see paragraph 69).

64. In addition to the aforementioned, OE will implement the suggestions made by the Evaluation Committee and the Executive Board in September 2003 while discussing the MFE and ARRI. As recommended by the Evaluation Committee during its session in September 2003, OE will devote resources towards training OE staff and consultants to apply the MFE consistently and collect the necessary data for evaluation analysis. Concerned project staff will also be briefed accordingly. In addition, with regard to assigning weights to the main evaluation criteria in the MFE, as agreed with the Evaluation Committee, OE will prepare a proposal for its consideration in 2004, highlighting possible options and drawing upon the practices of other international financial institutions and development organisations.

65. OE will pilot the CPE methodology developed in 2003 in all the CPEs to be undertaken during 2004 and take stock of the initial experiences in this regard. Both the project evaluations conducted on the basis of the MFE and the CPEs undertaken using the new CPE methodology will provide important foundations for the production of the second ARRI.

66. Finally, the division will complete the customisation of the M&E Guide in PF and PN regions, initiated in 2003. OE's engagement in the customisation of the M&E Guide in all regions will be over by the end of 2004. Finally, as designated by the Director of OE, staff will participate in selected project development teams (PDTs) and programme and policy working groups in order to facilitate the understanding of evaluation recommendations. Each evaluator will participate at most in two PDTs at any given time in 2004. This is expected to result in OE's involvement in a total of around sixteen to eighteen PDTs in 2004.

67. **Other Activities.** OE will continue to devote resources to the communication and dissemination of evaluation results, so that they can be of use to the concerned audiences. Greater efforts will be made to ensure that communication aspects are built into the approach papers and terms of reference of evaluation teams and that adequate resources are reserved for the purpose. In addition, efforts will continue to organise OE's knowledge base, *inter alia*, by ensuring the timely production and distribution of all evaluation reports and other products, as well as publishing of the same material on the evaluation section of the IFAD website. In this regard, OE will continue to provide Executive Board directors copies of all completed evaluation reports and establish a routine of informing them of the availability of evaluation reports on items that will be discussed in forthcoming Executive Board sessions. The revamping of the evaluation sub-site will be also undertaken in 2004.

68. OE will participate in the electronic deliberations and annual meeting of the United Nations Evaluation Group (the former UN Inter-Agency Working Group on Evaluation), and keep abreast of the latest development and progress in evaluation methodologies and experiences of UN sister agencies and other International Financial Institutions, as well as of the OECD/DAC working party on aid evaluation. OE will also explore the possibilities of participating in the deliberations of the working group on evaluation of the multi-lateral development banks, namely the Evaluation Co-operation Group.

B. Resource Requirements

69. **Human Resources.** In 2004, OE will realign its existing staff resources (see Table Two) to meet the requirements of the new Evaluation Policy, as well as that of the changing nature of its Work Programme. This will have three major consequences. Firstly, about fifty percent of an existing evaluation post¹⁰ will be devoted to overseeing the implementation of the MFE¹¹, the introduction of the new CPE methodology and the preparation of the ARRI. In particular, the designated staff member will provide guidance to OE evaluators and consultants and monitor the application of the MFE, ensuring that it is coherently understood and used comprehensively and consistently across all project evaluations. This will lead to better quality evaluation analysis and reporting using the MFE. This task will include, among other things, the training of evaluation consultants in the MFE as also recommended by the Evaluation Committee. The same staff member will also oversee the rolling out of the CPE methodology in 2004, fine-tune and apply it, and prepare the ARRI that involves consolidating all evaluation results and the synthesis of insights on a yearly basis.

70. Secondly, a significant amount of time of an existing professional position¹⁰ will be devoted to activities related to the work of the Evaluation Committee and the Executive Board, including, *inter alia*: (a) all aspects pertaining to the preparation and organisation of all sessions of the Evaluation Committee in a given year, including facilitating the preparation of the Chairperson's report to the Executive Board and the preparation of the minutes of each Committee session; (b) contributing towards the preparation of the various OE reports to the Executive Board and the Evaluation Committee; and (c) organising the annual field visits for the Evaluation Committee.

71. Finally, following a trend begun last year, the OE Director will devote more time to more frequent and intensive interactions with the Evaluation Committee and the Executive Board to meet the requirements of the independent evaluation function of IFAD¹². This will involve in particular: (a) the reporting requirements of the Executive Board and the Evaluation Committee as set forth in the Evaluation Policy, including in particular the Annual Report on the Results and Impact of IFAD's Operations and its methodological underpinning, the OE independent yearly Work Programme and Budget, as well as the review of the President's Annual Report on the Status of Adoption and Implementation of Evaluation Recommendations; (b) facilitating the review of the current role and terms of reference of the Evaluation Committee, as requested by the Executive Board; (c) the provision of strategic inputs to corporate level, policy and CPEs, which are relatively new evaluation products developed to fulfil the requirement of IFAD's new strategic imperatives, and last but not least (d) the oversight of the IEE, which is a very demanding duty entailing numerous tasks.

72. The above mentioned staff realignment will be performed without any increase in the total number of staff at OE. However, for this realignment to be put effectively into place, a number of measures need to be introduced. These are explained below in paragraphs 74 to 75 and Table Two.

73. One of the provisions of the new Evaluation Policy, concerns the need to ensure that "OE is staffed by ... sufficiently senior evaluators".¹³ For this purpose, it has been decided in consultation with IFAD Personnel Division, that in principle the minimum grade to be offered to Evaluation Officers will be fixed at P-3¹⁴, while the maximum grade that they can reach in their career with OE will be at P-5, a grade that corresponds to the position of Senior Evaluator¹⁵. In 2004, OE together

¹⁰ The concerned staff member is already currently devoting a substantial part of their time to these activities.

¹¹ See paragraph 31.

¹² See paragraphs 33 and 34.

¹³ See IFAD Evaluation Policy, paragraph 61.

¹⁴ As for the rest of IFAD, the grade for new recruitment will be fixed in consultation with Personnel when the vacancy announcement is prepared.

¹⁵ Currently, OE has only one Senior Evaluator against four in the past.

with the Personnel Division will undertake a job evaluation to confirm these grades and develop a set of criteria for staff promotions in line with the overall human resources policies of IFAD.

74. Following the job evaluation and grade verification exercises conducted by the Personnel Division in September, the position of the only Senior Evaluation Officer currently available in OE will be up-graded to the level of Deputy Director¹⁶ to reflect the considerable changes that have occurred in the job description of the concerned staff over the last few years. This upgrading is subject to the issuance of the President's Bulletin referred to in paragraphs 23 and 51¹⁷. These above-mentioned changes were caused by evaluation's shifting priorities that have imposed additional demand on the OE Director's time¹⁸. The incumbent will continue to *inter alia*: (a) provide substantial support to the Director in formulating OE's Annual Work Programme and Budget and prioritise and assign evaluation tasks within OE; (b) manage the evaluation of strategic corporate level policies and programmes with the objective of assessing the impact and performance of major IFAD policy and processes; (c) lead the process of introducing rigorous methodological frameworks for evaluations, monitor the use of these new methodologies, verify compliance with the set standards, and provide guidance and support to OE staff and consultants; (d) lead the production process of the ARRI; and (e) manage OE in the absence of the Director, and upon his request with delegation of executive power to take decisions on his behalf and provide support to the OE Director in the day-to-day administrative management of OE.

Table 2: Staff Levels for 2004

Human Resource Category	Numbers
<u>Professional Staff*</u>	
Director	1
Deputy Director	1
Evaluators	5
Evaluation Information Officer	1 ¹⁹
<u>General Service Staff</u>	
Administrative Assistant	1
Evaluation Assistants	6 ²⁰
GIS Assistant	1 (part-time)

* Currently OE has three Associate Professional Officers, funded by donors, whose present contracts will expire in 2004.

¹⁶ This will also bring OE in line with the Evaluation Units of other IFIs and UNDP, which all have a deputy director.

¹⁷ The proposed President's Bulletin states *inter alia* that the Director of OE will propose the minimum and maximum grades of OE Staff for approval by the Executive Board, after due analysis, and in consultation with the Personnel Division.

¹⁸ See paragraphs 33-35 and 72-73.

¹⁹ Subject to the positive outcome of a job evaluation and grade verification analysis that the Personnel will conduct at the beginning of 2004, the current position of Evaluation Information Assistant will be transformed into a professional post to reflect changes that have occurred in the job description of the concerned staff over the years.

²⁰ One of the General Service staff, who is presently recruited against a temporary post on fixed-term conditions (as per the provisions in Chapter X of the Human Resources Handbook), will be converted into a permanent Evaluation Assistant post.

C. Proposed Budget

75. In the future, OE's overall annual administrative budget may fluctuate from year to year in order to effectively meet the evolving requirements of its evaluation Work Programme. Additional (or reduced) resources may be required in a given year as compared to the previous year to respond adequately to the provisions laid out in the Evaluation Policy. For example, the number of interim evaluations, which are mandatory by nature, might increase or decrease in a given year requiring adjustments in OE's financial and human resources to conduct these evaluations.

76. The 2004 work programme outlined in the preceding paragraphs is designed to be executed within a budget envelope of USD 4 242 000. This includes the following two main categories in the proposed OE budget: (a) evaluation work; and (b) staff costs. The 2004 budget also takes into account the restatement required to reflect the depreciation of the US dollar against Euro, inflation and salaries in line with those applied by IFAD for its administrative budget. Table 3 provides a summary of the budget for 2004 and a comparison with 2002 and 2003.²¹

77. In the 2004 budget, OE has included a contingency allocation that would serve to meet the unforeseen expenditures that the division may have to incur during the year. The need to include a contingency is dictated by the fact that OE's budget is now separate from the budget of IFAD. Consequently, the division will not be able to request additional resources during the year from IFAD's administrative budget to meet unforeseen costs that might arise. Moreover, 2004 will be the first year that the Evaluation Policy is fully implemented. It is therefore difficult, at this stage, for OE to estimate with precision all costs associated with implementing its Work Programme and managing its human resources that would normally have been covered by the IFAD administrative budget.

78. On the human resources side, the contingency will serve to meet costs that may arise from, *inter alia*, possible changes in staff grade, status, turnover, salary increase, or entitlements that cannot be determined at the present moment. Furthermore, there may be unforeseen costs due to the work of the Evaluation Committee, in particular related to the revision of its terms of reference and rules of procedure. In addition, while discussing the relationships governing OE and other IFAD organisational units for the implementation of the Evaluation Policy (see paragraph 23), it was decided that incremental costs to such units (e.g. the Management Information Systems Division, Secretary's Office, Administrative Services) of over and above ten percent caused by the work of OE would need to be charged to the OE budget, given the zero real growth directive on the IFAD administrative budget. Finally there are other miscellaneous costs borne by the IFAD administrative budget in the past, which OE is not able to estimate accurately at this stage.

79. In summary, OE needs to gain experience with developing its budget and the overall financial implications of operating under the new Evaluation Policy which will be fully known only once the various evaluations and related activities are actually implemented. As a result, as suggested by IFAD's Controllers Office, a contingency has been included in the division's proposed 2004 budget. OE has estimated this contingency to amount to 5% of the rest of the budget. The details of the cost categories that are eligible for funding through the contingency line are mentioned in paragraph 78. The Director of OE will report separately to the Executive Board on the utilisation of the contingency amount, providing a summary of activities financed.

80. As anticipated during the September session of the Evaluation Committee and Executive Board, and illustrated in Table Three, there will be an increase in the 2004 OE budget. This increase is due to the cumulative effects of the following factors, that are mostly beyond OE's control:

²¹ See paragraph 82.

(i) similar to the situation of IFAD's administrative budget and as calculated by the Controller's Office (FC), the OE budget must be restated to reflect the devaluation of the US dollar against the Euro in 2003, leading to an increase equivalent to USD 338 000;

(ii) similar to the situation of IFAD's administrative budget and as calculated by FC, an adjustment of +1.7% (corresponding to USD 68 000) must be applied to reflect a projected annual inflation rate of +2% and some reductions in staff entitlements, due to the appointment of OE staff at a lower than maximum grade in the past;

(iii) a contingency fund of 5% (corresponding to USD 202 000) already referred to in paragraph 77, which will be reserved for unforeseen costs in the categories mentioned in paragraph 78.

81. In the evaluation work sub-section, the following additional costs will be absorbed within the nominal increase described above, thanks to the slight reduction in the size of other areas of the OE work programme:

- The conduct of an increased number of Interim Evaluations;
- The internalisation into OE's administrative budget of the TAG resources used in the past for in-country workshops, as recommended by the Evaluation Committee during its thirty-fourth session;
- The estimated travel costs for the Evaluation Committee's participation in the Indonesia CPE workshop. In the past, resources for the travel of Evaluation Committee members were drawn from the overall budget for the travel of Executive Board directors included in the IFAD administrative budget. Since the OE and IFAD budgets are now separate, this practice has been discontinued.
- The first ARRI²² was produced partly through supplementary funds made available by the Swiss Agency for Cooperation and Development (SDC). The ARRI, which is a core product, will be produced by OE on an annual basis. In this regard, OE has earmarked in its 2004 administrative budget (under budget sub-item 'Corporate-level Evaluation and Other Activities') an allocation corresponding to the estimated cost of the production of the first ARRI.

82. In sum, in 2004 the OE budget will remain overall within the 2003 level, with the exception of a 5% contingency that is reserved for unforeseen costs in some cost categories.

²² This was presented to the Evaluation Committee and Executive Board in September 2003

Table 3: Proposed OE Budget for 2004 and Comparisons with 2002 and 2003

	2002	2003	2004²³
	(USD)	(USD)	(USD)
A. EVALUATION WORK			
Project Evaluations	606 000	622 000	897 000
Country Programme Evaluations	403 000	413 000	377 000
Thematic Evaluations	504 000	442 000	224 000
Corporate-level Evaluation and Other Activities ²⁴	403 000	323 000	457 000
Evaluation Committee	-	-	60 000 ²⁵
Duty Travel	220 000	219 000	245 000
Special Studies ²⁶	69 000	72 000	-
<i>Sub-total (1)</i>	2 205 000	2 091 000	2 260 000
B. STAFF COSTS			
Regular & Fixed Term	1 193 000	1 325 000	1 516 000
Temporary staff	40 000	208 000	251 000
Overtime	9 000	10 000	13 000
<i>Sub total (2)</i>	1 242 000	1 543 000	1 780 000
<i>Overall Contingency (5%)</i>			202 000
Grand Total (sub-totals plus contingency)	3 447 000	3 634 000	4 242 000

²³ The 2004 figures include a two percent price increase to account for general inflation

²⁴ Includes resources for the undertaking of one CLE, the development of the CPE methodology, the production of the ARRI, the OE Work Programme and Budget, training of consultants in the MFE, communication activities, management of consultants and so on.

²⁵ This includes mainly the costs related to the annual field visit of the Evaluation Committee to attend the roundtable workshop on the Indonesia CPE.

²⁶ Evaluation special studies were used to finance *ad hoc* evaluation work.

OE WORK PROGRAMME FOR 2004

Priority Area	Type of Work	Evaluation Activities	Start Date	Expected Finish
A. Evaluation work requested by the Evaluation Committee and Executive Board and/or included in the report of the VIth consultation of IFAD resources.	1. Independent External Evaluation	Supervision of the Independent External Evaluation of IFAD	April 2003	Dec 2004
	2. Evaluation Committee	Three Regular Sessions & additional special sessions, as necessary	Jan 2004	Dec 2004
		Review of the Terms of Reference and Rules of Procedure of the Evaluation Committee as per decision in April 2003 Executive Board	Jan 2004	Dec 2004
		Field visit to Indonesia – CPE National Roundtable Workshop	Mar 2004	Mar 2004
3. ARRI	Annual Report on the Results and Impact of IFAD's Operations	Jan 2004	Sep 2004	
B. Conduct Corporate Level, Country Programme, Thematic and Project Evaluations.	4. Corporate-level Evaluations	Evaluation of IFAD's Experience with Direct Supervision Pilot Programme OR Evaluation of IFAD's Current Approach and Policy on Gender	Jan 2004	Dec 2004
	5. Country Programme Evaluations	Benin, PA	Sep 2003	Sep 2004
		Bolivia, PL	Sep 2003	Sep 2004
		Egypt, PN	Nov 2003	Nov 2004
		Indonesia, PI	Mar 2003	Mar 2004
	6. Thematic Evaluations	Marketing & Competitiveness in Africa, PA	Nov 2003	Nov 2004
		Regional Workshop on Agriculture Extension and Farmers Innovations, PA	Feb 2004	Feb 2004
		Decentralisation Efforts in Africa, PF	Oct 2003	Oct 2004
Organic Agriculture in Asia*, PI		Nov 2003	Nov 2004	

* To be financed by Italian Supplementary Funds under an agreement reached with IFAD in November 2002.

Priority Area	Type of Work	Evaluation Activities	Start Date	Expected Finish
B. Conduct Corporate Level, Country Programme, Thematic and Project Evaluations.(cont.)	7.1 Interim Project Evaluations	Ethiopia: Special Country Programme II, PF	Sep 2004	Mar 2005
		Gambia: Rural Finance & Community Initiatives, PA	Sep 2004	Mar 2005
		Guinea: Fouta Djallon Local Develop. and Agric. Rehabil. Programme, PA	Mar 2004	Sep 2004
		India: North East Resources Community Management Project, PI	Oct 2004	Apr 2005
		Jordan: Agric. Res. Mgmt Project in the Governat. of Korak and Tafilat, PN	Dec 2003	Jun 2004
		Laos: Northern Sayabouri Rural Dev. Project, PI	Jan 2004	Jul 2004
		Paraguay: Peasant Development Fund Credit Project – Eastern Region, PL	Jan 2004	Jul 2004
		Senegal: Rural Micro-enterprise Project, PA	Jan 2004	Jul 2004
		Tunisia: Development Project of Siliana, PN	Dec 2003	Jun 2004
		Uganda: District Development Support Programme, PF	Sep 2004	Mar 2005
		Venezuela: Economic Development of Poor Rural Communities Project, PL	Oct 2004	Apr 2005
		Vietnam: Ha Giang Project, PI	Jan 2004	Jul 2004
		Vietnam: Quang Binh Project, PI	Jan 2004	Jul 2004

Priority Area	Type of Work	Evaluation Activities	Start Date	Expected Finish
B. Conduct Corporate Level, Country Programme, Thematic and Project Evaluations. (cont.)	7.2. Completion Evaluations	Eritrea: Eastern Lowlands Wadi Project, PF	Sep 2003	Mar 2004
		Lebanon: Smallholder Livestock Sector in the Bekaa Valley, PN	Sep 2003	Mar 2004
C. Further development of the evaluation methodology.	8. Regionalization M&E Guide	Regionalization of the Practical Guide for M&E in PF Region	2003	2004
		Regionalization of the Practical Guide for M&E in PN Region	2003	2004
	9. Methodological Work	Further Development of the methodology for CPEs	Jan 2004	Dec 2004
		Training of OE consultants in the new project evaluation methodology (MFE)	Jan 2004	Jun 2004
		Make proposal to the Evaluation Committee on assigning weights in the MFE	Jan 2004	Sep 2004
D. Other Activities	10. OE Programme	Preparation of Annual Work Programme & Budget for 2005	Apr 2004	Dec 2004
		Mid-term Review of Work Programme	Jun 2004	Jun 2004
	11. Communication Activities	OE Reports, Profiles, Insights & Website	Jan 2004	Dec 2004
	12. Consultants management	Review of OE Approach	Jan 2004	Dec 2004
	13. Partnerships	UN Evaluation Group, SDC-OE Partnership in Evaluation	2004	2004
	14. OPV/OE Coordination	Quarterly Activity Review Meetings	Mar 2004	Dec 2004
	15. Project Development Teams	Two PDTs per Evaluation Officer for a total of circa 16-18 PDTs in 2004	2004	2004

OE WORK PROGRAMME FOR 2003 – IMPLEMENTATION STATUS

2003 Priority Area	Type of work	Evaluation Activities	Planned Implementation Status	Present Status (October 2003)
(i) Assessing, Communicating and Learning from results and impact	1. Methodological Work	Development of the first Annual Report on the Results and Impact of IFAD's Operations	To be completed in Sep 2003	Completed on schedule
		Further development of the project impact evaluation methodology	To be completed end of 2003	Completed on schedule
		Development of a methodology for CPEs	To be completed end of 2003	Will be completed on schedule
		Regionalisation of the Practical Guide for M&E in PA Region	To be completed end of 2003	Will be completed at the beginning of 2004
		Regionalisation of the Practical Guide for M&E in PF Region	To be initiated in 2003	Started late due to delay in approval of TAG funds
		Regionalisation of the Practical Guide for M&E in PI Region	To be completed end of 2003	Will be completed on schedule
		Regionalisation of the Practical Guide for M&E in PN Region	To be initiated in 2003	Started late due to delay in approval of TAG funds
	2. Corporate-Level Evaluations	Evaluation of IFAD's Supervision Modalities	To be completed Sep 2003	Will be presented at EC Dec 2003
		Evaluation of IFAD's Approaches and Policy on Gender Equity and Empowerment	To start in Nov 2003	Awaits EC decision
		Evaluation of the Flexible Lending Mechanism	To start in Nov 2003	Deferred till later date due to inadequate data
	3. Country Programme Evaluations	Benin	To start in Sep 2003	Started Sep 2003
		Bolivia	To start in Sep 2003	Will start in November 2003
		Egypt	To start in Nov 2003	Will start in November 2003

2003 Priority Area	Type of work	Evaluation Activities	Planned Implementation Status	Present Status (October 2003)
i) Assessing, Communicating and Learning from results and impact (cont.)	3. Country Programme Evaluations cont.	Indonesia	Start in March 2003	Started in March 2003
		Senegal	Completion July 2003	Will be completed in December 2003
		Tunisia	Completion July 2003	Will be completed in November 2003
	4.1 Interim Project Evaluations	Benin, Income Generating Activities Project, PA	To start in Jun 2003	Started in Jun 2003 and will be completed in Dec 2003
		Brazil, Community Development Project for the Rio Gaviao Region, PL	To start in Mar 2003	Started in Mar 2003 and will be completed in Nov 2003
		Burkina Faso, Special Programme on Soil/Water Conservation/Agroforestry, PA	To start in Jan 2003	Started in Jan 2003 and will be completed in December 2003
		Ecuador, Indigenous Afro-Ecuadorian People's Development Project, PL	To start in Feb 2003	Started in Feb 2003 and will be completed in November 2003
		Ghana, Roots & Tubers Improvement Project, PA	To start in Jun 2003	Started in Jun 2003 and will be completed in December 2003
		Guinea, Project d'appui aux petites exploitations en Basse Guinee du Nord, PA	To start in Jan 2003	Started in Jan 2003 and will be completed in November 2003
		Mauritania, Oasis Development Project II, PA	To be completed in Apr 2003	Completed in Apr 2003
		Nepal, Hills Leasehold Forestry and Forage Development Project, PI	To start in Feb 2003	Started in Feb 2003 and completed in October 2003
		Philippines, Rural Microenterprise Finance Project	To be completed in Feb 2003	Completed in Feb 2003
		Tanzania, Kagera Agricultural & Environmental Management Project, PF	To be completed in Apr 2003	Completed in Apr 2003
Venezuela, Falcon & Lara Project, PL	To be completed in May 2003	Completed in May 2003		

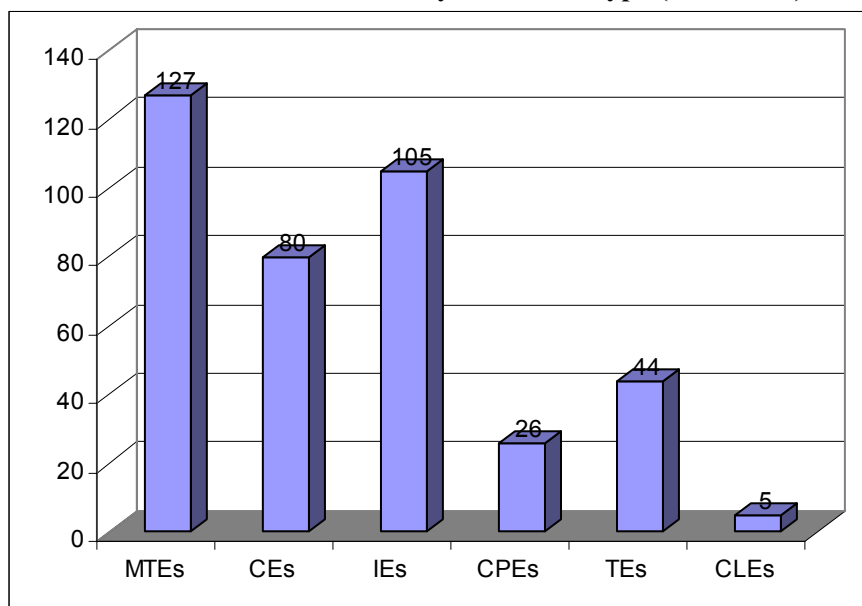
2003 Priority Area	Type of work	Evaluation Activities	Planned Implementation Status	Present Status (October 2003)
(i) Assessing, Communicating and Learning from results and impact (cont.)	4.2 Completion Evaluation	Bangladesh, Netrakona Integrated Agri Dev. Project	To be completed in Mar 2003	Completed on schedule
		Eritrea, Eastern Lowlands Wadi Project, PF	To start in Oct 2003	Started on schedule
		Lebanon, Smallholder Livestock Sector in the Bekaa Valley, PN	To start in Sep 2003	Started on schedule
	5. Working Group	Participation of OE staff in the formulation of IFAD TAG Policy Participation of OE staff in Policy	To be implemented	Implemented
	6. Communication Activities	OE Reports, Profiles, Insights, Website	To be implemented	Implemented
	7. Partnerships	SDC-OE Partnership in Evaluation	Partnership Programme to be implemented	Implemented
(ii) Contribution to IFAD's Catalytic Role	8. Thematic Evaluations	Agricultural Extension & Support to Farmer Innovation, PA	To be completed Oct 2003	Will be completed in February 2004 ²⁷
		Marketing & Competitiveness in West & Central Africa, PA	To start in Nov 2003	Will start in November 2003
		Promotion of Local Knowledge Systems and Innovations, PI	To finish July 2003	Completed in July 2003
		Organic Agriculture in Asia, PI	To start in Sep 2003	Started in September 2003
		Decentralization Efforts in Ethiopia, Tanzania and Uganda, PF	To start in Jun 2003	Reformulated, will start in November 2003
		Innovative Approaches in Peru, PL	To be completed in Nov 2003	Will be completed in Nov 2003
		Rural Financial Services in Central Asia, Eastern Europe and the Newly Independent States, PN	To be completed in Sep 2003	Will be completed in early 2004

²⁷ Evaluation analysis completed: a regional workshop will be held in 2004 to discuss the findings and to formulate in the Agreement at Completion Point.

2003 Priority Area	Type of work	Evaluation Activities	Planned Implementation Status	Present Status (October 2003)
(iii) Strengthening relationships with IFAD's Governing Bodies on Evaluation	9. Evaluation Committee	Three Regular Sessions & additional ad-hoc informal sessions as necessary	3 regular sessions	2 sessions + 3 special sessions
	10. ARRI	Annual Report on the Results and Impact of IFAD's Operations	To be presented at IFAD Executive Board, September 2003	Presented at IFAD Executive Board, September 2003
	11. External Evaluation	Supervision of the External Evaluation	Started in May 2003	TOR and budget approved, and procurement process to be completed in early November (negotiations). Service Provider to start inception phase at the end of November 2004
	12. Evaluation Policy	Preparation of the IFAD Evaluation Policy	To be presented at IFAD Executive Board April 2003	Presented at IFAD Executive Board April 2003

GRAPHS ON THE DISTRIBUTION OF EVALUATION BY TYPE AND REGION

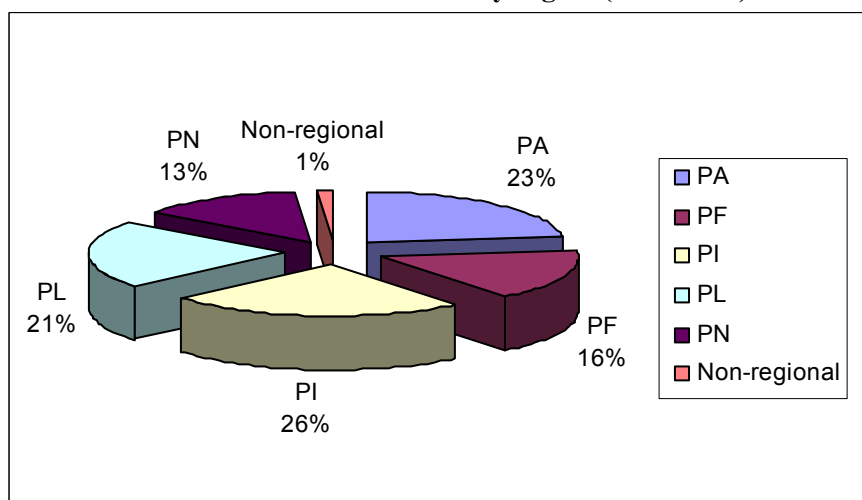
Distribution of evaluations by evaluation type (1983-2003)



Legend

- MTEs Mid-term Evaluations
- CEs Completion Evaluations
- IEs Interim Evaluations
- CPEs CPEs
- TEs Thematic Evaluations
- CLEs Corporate-level Evaluations

Distribution of evaluations by region (1983-2003)



Legend

- PA Western and Central Africa Division
- PF Eastern and Southern Africa Division
- PI Asia and the Pacific Division
- PL Latin American and the Caribbean Division
- PN Near East and North Africa Division

KEY FEATURES OF COUNTRY PROGRAMMES AND PROJECTS TO BE EVALUATED IN 2004

Country Programme Evaluations	Key Programme Features
Benin	8 Projects (4 ongoing), IFAD loan amount USD 89.3m; total portfolio cost USD 215.8; latest COSOP approved in 1997
Bolivia	9 Projects (4 ongoing), IFAD loan amount USD 81.3m; total portfolio cost USD 135.8; latest COSOP approved in 1998
Egypt	9 Projects (4 ongoing), IFAD loan amount USD 186.7m; total portfolio costs USD 491.3; latest COSOP approved in 2000
Indonesia	12 Projects (4 ongoing), IFAD loan amount USD 263.3m; total portfolio costs USD 648.7; latest COSOP approved in 1998
Country & Project Name: Interim Evaluations	Project Objectives and Components
Ethiopia: Special Country Programme II, PF	Improve farm incomes through the rehabilitation of small scale irrigation schemes, institutional capacity building and improved agricultural support services; total cost US\$ 33.08m
Gambia: Rural Finance & Community Initiatives, PA	Improve household food security and incomes by strengthening village men's and women's groups and boosting both on farm and off-farm income; total cost US\$ 10.64m

Country & Project Name: Interim Evaluations cont.	Project Objectives and Components cont.
Guinea: Fouta Djallon Local Develop. and Agric. Rehabil. Programme, PA	Improve living conditions by: (i) increasing productivity, production and marketing of crop and livestock output; (ii) fostering local participatory management of natural resources; (iii) strengthening grassroots organisations; and improving the accessibility of the programme area as well as village access to drinking water supply; total cost US\$ 18.22m
India: North East Resources Community Management Project, PI	Improve livelihood of vulnerable groups in a sustainable manner through improved management of their resource base in a way that contributes to protecting and restoring the environment; total cost US\$ 33.22m
Jordan: Agric. Res. Mgmt Project in the Governat. Of Korak and Tafilat, PN	Improve living standards of target group through: (i) soil and water conservation works and (ii) the adoption of integrated village-based resource management to arrest resource degradation, based on active partnership and participation of beneficiaries; total cost US\$ 18.52m
Laos: Northern Sayabouri Rural Dev. Project, PI	Alleviate poverty by: (i) encouraging agricultural development, irrigation and income diversification, (ii) developing rural financial services and (iii) improving health services; total cost US\$ 10.24m
Paraguay: Peasant Development Fund Credit Project – Eastern Region, PL	Reduce poverty by facilitating access to financial services; total cost US 22.00m
Senegal: Rural Micro-enterprise Project, PA	Promote sustainable development of micro-enterprise sector, creation of job opportunities and increase income of poor rural families; total cost US\$ 10.94m
Tunisia: Development Project of Siliana, PN	Alleviate poverty by: (i) halting the degradation of pasture land and forest, (ii) raising production and productivity of fruit and fodder trees, (iii) increasing water supply and improve efficiency of irrigation through existing wells and spate irrigation, (iv) constructing roads to improve accessibility; total cost US\$ 41.67m

Country & Project Name: Interim Evaluations cont.	Project Objectives and Components cont.
Uganda: District Development Support Programme, PF	Alleviate chronic poverty by: (i) raising household incomes, (ii) improving food security and nutrition, (iii) improving the health status of the population, and (iv) enhancing local governance; total cost US\$ 21.11m
Venezuela: Economic Development of Poor Rural Communities Project, PL	Support development of poor rural communities through the improvement of their civil participation and social and economic conditions, with particular emphasis on women-headed households and indigenous groups; total cost US\$ 24.37m
Vietnam: Ha Giang Project, PI	Improve living standards of ethnic minorities by: (i) improving food security, (ii) supporting the development of appropriate and rural and social infrastructure and (iii) developing environmentally sustainable and culturally sensitive development models; total cost US\$ 18.40m
Vietnam: Quang Binh Project, PI	Increase household incomes and food security and protect environment from shifting sand dunes, improve capacity of the technical services to plan, design and implement development programmes; total cost US\$ 17.84m
Country & Project Name: Completion Evaluations	Project Objectives
Eritrea: Eastern Lowlands Wadi Project, PF	Promote expansion of production of basic staples and improve food security of both the resident lowland population and the linked families in the highlands; strengthen the capacity of the Ministry of Agriculture to plan and implement similar rehabilitation activities in other economically viable irrigated production zones of the Eastern Lowlands; total cost US\$ 20.11m
Lebanon: Smallholder Livestock Sector in the Bekaa Valley, PN	Rehabilitate livestock sector after civil war by: (i) helping farmers replace existing stocks with improved breeds, (ii) strengthening animal health services to promote increased milk production, (iii) providing credit and agricultural extension to disadvantaged farmers, (iv) developing human resources through training and (v) encouraging the establishment of farmers' groups; total cost US\$ 21.89m

CRITERIA TO SELECT EVALUATIONS

The following criteria are the key guiding factors in the development of the independent evaluation Work Programme.

Project Evaluations (Interim and Completion Evaluations)

1. The need to give priority to undertaking interim evaluations, which as per the provisions of the IFAD Evaluation Policy are mandatory, before the formulation of the follow-up phase of an ongoing IFAD-financed project
2. The size of the operation in terms of IFAD loan amount and intended beneficiary outreach as estimated at appraisal
3. Regional Balance according to the 5 IFAD regions
4. Plan for CPE in the same country in the very near term²⁸
5. The desirability to include some completion evaluations
6. Special innovative or experimental feature of particular interest to IFAD (e.g., direct supervision, FLM, etc.)

Country Programme Evaluation (CPE)

1. Overall size of project portfolio in terms of number of operations financed
2. Overall volume of IFAD loans and total programme size in financial terms
3. Date of last COSOP and commitment to prepare new COSOP
4. Regional Balance according to the 5 IFAD regions
5. Number of ongoing operations at the time of the planned CPE
6. Availability of previous project evaluations by OE

Thematic Evaluations (TEs)

1. Evaluation theme should be a core thrust in the concerned regional strategy
2. Number of projects and size of investments with the selected theme in the given region
3. Availability of previous project evaluations by OE, which are relevant for the selected theme
4. In order to enhance the regional balance of the entire evaluation Work Programme, OE will assign special priority for TEs to be conducted in regions where CPEs are not planned
5. High potential for learning on strategic issues for IFAD

Corporate-level Evaluations

1. The need to revisit and/or develop IFAD-wide key policies, strategies, instruments and approaches

²⁸ That is, OE would prioritise the undertaking of a project evaluation in a given country, as such an evaluation would serve as an important basis in the overall independent analysis of an imminent CPE in the same country.