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Investing in rural people

**President's report on a proposed grant under
the global/regional grants window to the
Partnership for Economic Policy, Inc. for
Technical Support to Ex post Impact
Evaluation of Rural Development Projects**

Note to Executive Board representatives

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Abbreviations and acronyms

ICIPE	International Centre of Insect Physiology and Ecology
M&E	monitoring and evaluation
PASIDP	Participatory Small-scale Irrigation Development Programme
PEP	Partnership for Economic Policy, Inc.
PIERI	Policy Impact Evaluation Research Initiative
ToC	theory of change

Recommendation for approval

The Executive Board is invited to approve the recommendation for a proposed grant under the global/regional grants window to the Partnership for Economic Policy, Inc. (PEP), as contained in paragraph 7.

President's report on a proposed grant under the global/regional grants window to the Partnership for Economic Policy, Inc. for Technical Support to Ex post Impact Evaluation of Rural Development Projects

I submit the following report and recommendation on a proposed grant for Technical Support to Ex Post Impact Evaluation of Rural Development Projects to the Partnership for Economic Policy, Inc. (PEP) in the amount of US\$750,000.

Part I – Introduction

1. This report recommends the provision of IFAD support to the international organization PEP.
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:

Partnership for Economic Policy, Inc.: Technical Support to Ex Post Impact Evaluation of Rural Development Projects.
3. The objectives and content of this grant are in line with IFAD's corporate objectives and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson-learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed programme is in line with the goal and outputs of the revised IFAD grant policy in that it: (a) focuses on the pro-poor capacity of partner institutions; and (b) supports corporate priorities, as expressed in corporate management results (better country programme management, and better project design, implementation support and international engagement and partnership). The programme is also in line with the IFAD Strategic Framework 2011-2015, the IFAD Medium-term Plan 2010-2012 and the strategy of IFAD's Statistics and Studies for Development Division.

Part II – Recommendation

7. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the Technical Support to Ex post Impact Evaluation of Rural Development Projects, shall provide a grant not exceeding seven hundred and fifty thousand United States dollars (US\$750,000) to the Partnership for Economic Policy, Inc. for an 18-month programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
President

Partnership for Economic Policy, Inc.: Technical Support to Ex post Impact Evaluation of Rural Development Projects

I. Background

1. IFAD is mandated to improve rural food security and nutrition, and to enable rural women and men to overcome poverty. During the Ninth Replenishment of IFAD's Resources (IFAD9), the Fund has committed itself to: reaching 90 million people; contributing to moving 80 million people out of poverty from 2010 to 2015; demonstrating this by undertaking 30 rigorous impact assessments of projects completed during the same time frame; and providing a synthesis of lessons learned (on poverty reduction and impact evaluation methods) by end-2015. The approach to delivering on these commitments is described in Methodologies for Impact Assessments for IFAD9 (EB 2012/107/INF.7).
2. The Partnership for Economic Policy, Inc. (PEP) submitted a proposal to IFAD for five ex post impact evaluations (covering Kenya and Madagascar) and for provision of technical support and advice to an impact assessment of the Participatory Small-scale Irrigation Development Programme (PASIDP) to be conducted by the implementing agency and its partners in Ethiopia. The proposal provides for the undertaking of ex post impact evaluations of IFAD-supported projects – within the available budget of US\$826,000 (US\$750,000 of IFAD financing and a US\$76,000 in-kind contribution by PEP) – and describes the proposed methodology.
3. PEP is a specialized institution working on development policy analysis and capacity-building in developing regions. It has been selected to lead and coordinate five country-led evaluations. As an international non-profit organization, PEP specializes in research and capacity-building for the analysis of policy issues that contribute to informing national and international debates on broader economic policy challenges, including poverty, gender, inequality, inclusive growth and sustainable social and economic development in developing countries. It focuses on locally-based analytical perspectives and researchers so as to ensure greater participation of local expertise in the analysis of relevant policy issues.
4. PEP has four global research programmes based on different methodologies: (i) modelling and policy impact analysis; (ii) community-based monitoring systems; (iii) poverty-monitoring, measurement and analysis; and (iv) the Policy Impact Evaluation Research Initiative (PIERI). The proposed research will be led by the PIERI team, with the participation of the other programmes to provide relevant diverse perspectives and scientific methods for evaluating the impacts of the selected projects in the three countries. PIERI has been very successful in implementing high-quality impact evaluation projects in developing countries and has conducted several studies in Africa, Asia and Latin America. To date, about 20 impact evaluation projects have been conducted and supported by the PEP network.
5. PEP's networking approach enables researchers to compare their results from diverse countries, which contributes to improving and updating their methodological applications. Moreover, PEP evaluations not only ensure the highest international standards in terms of the scientific rigour and quality of the resulting evaluation product, but also contribute to fostering and strengthening capacity and expertise for impact evaluation in the local partners and institutions involved.

II. Rationale and relevance to IFAD

6. This grant initiative is in line with the:
 - (a) Revised IFAD Policy for Grant Financing, as it focuses on strengthening the capacity of partner institutions to deliver a range of services in support of poor rural people;
 - (b) IFAD corporate priorities, as expressed in corporate management results (better country programme management, and better project design, implementation support and international engagement and partnership);
 - (c) IFAD Strategic Framework 2011-2015;
 - (d) IFAD Medium-term Plan 2010-2012; and
 - (e) Strategy of the Statistics and Studies for Development Division.
7. The grant will offer technical support to the actual design and implementation of five country-led evaluations (spread over two countries) and provide technical support and advice to an impact assessment of PASIDP to be conducted by the implementing agency and its partners in Ethiopia. In addition, it will contribute to strengthening project-level monitoring and evaluation (M&E) capacity and will ensure that project evaluations are integrated into national M&E frameworks and linked to governmental institutions, such as national bureaux of statistics.

III. The proposed programme

8. The overall goal of the grant is to increase the use of evidence in policymaking and to understand what works, where, why and under what conditions in rural poverty reduction. This will be done by strengthening local evaluation capacity and enhancing the quality of the methods and tools used by implementing agencies of IFAD-supported projects to measure impact on the ground and to generate strong evidence of project outcomes and impact. This will enable policymakers, development organizations and practitioners and all relevant stakeholders to improve their programming in the area of agriculture and rural poverty reduction.
9. The main programme objective is to generate rigorous evidence on poverty and welfare impacts for selected IFAD-supported projects. Specifically, the evidence generated will enhance the availability of relevant information to policymakers to enable evidence-based decision-making and better targeting and scaling up of successful projects. Moreover, the programme will contribute to assessing the general impact on reducing absolute and relative poverty. Evidence gathered through the impact evaluations will provide lessons specific to the effectiveness of the interventions put in place in these two countries.
10. The target group is the poor rural people who will be affected by enhanced measurement of the impact of development interventions, which will lead to enhanced programming, more efficient allocation of scarce resources and higher impact. The proposed programme will directly benefit participants in the five IFAD-supported projects and larger groups of smallholder farmers in future scaling up of the projects. It will also build the capacity of the staff of implementing agencies and partner organizations involved in M&E and impact evaluation to produce high-quality impact evaluations that can be considered a global public good and can be used by the governments of those countries to generate evidence-based policies.
11. Three countries will participate in the grant activities: Ethiopia, Kenya and Madagascar.
12. In the 18-month programme each ex post impact evaluation will consist of three phases:
 - (i) Inception
 - (ii) Data collection and detailed analysis
 - (iii) Overall analysis and reporting

13. **Inception phase.** During the inception phase, the theory of change (ToC) and the methodology will be made explicit, based on various project-related documents, the existing logical framework (logframe) and a scoping workshop. This will facilitate identification and selection of indicators and variables to be measured using quantitative and qualitative methods. Some qualitative analysis will be done during the inception phase, particularly "process tracing" on the broader ToC of the programme and the key changes that took place in the programme's wider context. The activities during the inception phase include: (i) a desk study; (ii) initial discussions with country programme staff and implementing agencies to understand the project, and with the target group for initial scoping of the study; (iii) a consultation meeting with relevant stakeholders to: define the boundaries of the study, identify and validate key change processes in the project area, assess possible impact pathways and the anticipated treatment effect, define specific evaluation questions and key indicators for the study, etc.; (iv) a review of existing baseline data, survey instruments and monitoring reports at the project level – if baseline data exist, these will be used to calculate statistical power and sample size for the impact survey; (v) design of the methodological framework and implementation plan; (vi) a draft survey instrument for the impact survey; and (vii) coordination and consultation with other teams doing similar "deep-dive" impact studies of IFAD-supported projects.
14. **Data collection and detailed analysis phase.** A mixed-method approach to the impact evaluations is proposed. Triangulation of findings on attribution of cause and effect through a range of quantitative and qualitative methods is necessary to validate the ToCs of the interventions. Data will be collected and analysed through quasi-experimental and qualitative methods. The quasi-experimental (econometric) methodology will be implemented for each impact evaluation according to available data and a priori information.
15. **Analysis and reporting phase.** This will start once the survey data have been collected, entered into a database, cleaned and readied for econometric and statistical analysis. Selected analytical methods (to be developed during the inception phase) will be applied, with a view to carefully identifying the impact of the interventions on the selected outcome indicators. Key outcome indicators included in the logframe of each project will guide the selection of indicators and the measurement of target variables. Given that some projects under study had purposeful targeting, with possibilities for self-selecting into the same interventions, the analysis will control for self-selection.
16. Both the intended and unintended, positive and negative changes related to IFAD-supported interventions will be assessed depending on the data. An impact evaluation report will be written based on analysis of country- and project-level data. The databases of the surveys and qualitative data will be made available. The lessons learned will be fed back to IFAD's implementing partners so as to improve their performance.

IV. Expected outputs and benefits

17. The output of the work supported by this grant will consist of the following reports and services:
 - (a) An inception report describing the impact evaluation protocol, including a detailed evaluation framework/design and implementation plan. This will include relevant evaluation questions for specific target groups;
 - (b) Evaluation reports detailing the findings of the evaluations for Kenya and Madagascar (which will subsequently be published as research papers);
 - (c) Databases containing survey data and findings from the qualitative studies;
 - (d) Policy briefs based on impact evaluation studies finalized and published;

- (e) Quality assurance and technical support throughout the process of conducting the impact evaluation in Ethiopia;
- (f) A synthesis report summarizing the results of the five project evaluation studies;
- (g) Dissemination events will be held at IFAD headquarters and in Ethiopia, Kenya and Madagascar with all relevant stakeholders in order to properly disseminate key lessons learned and findings from the evaluations; and
- (h) A technical note based on reviews of drafts submitted by the evaluating institution on the design of the survey instrument and data-collection methods.

V. Implementation arrangements

18. The programme will be implemented by PEP, in collaboration with local partners, at arm's length from IFAD. An implementing team consisting of PEP senior scientists and local partners will facilitate and undertake the work at all levels, with support from national key stakeholders (government officials and project management units at the country level). PEP will be responsible for overall coordination, management and implementation of the programme.
19. Grant administration will be provided by the International Centre of Insect Physiology and Ecology (ICIPE) in line with the PEP/ICIPE hosting agreement. A tripartite management agreement will be signed by IFAD, ICIPE and PEP detailing accountability for the use of funds. PEP will ensure that the entire programme implementation period is covered by audit, to be conducted by ICIPE's independent auditors in accordance with international auditing standards.
20. The programme will be managed by a PEP senior staff member, who will be the programme leader, supported by a full-time impact evaluation economist. The programme leader and impact evaluation economist will be supported by national economists. Local partners in the countries will be subcontracted by PEP/ICIPE and will work closely with country-level project teams, as well as with the PEP impact evaluation economist, to ensure high design fidelity and policy/programmatic engagement in evaluation design, data collection and analysis.

VI. Indicative programme costs and financing

21. The overall cost of the programme is US\$826,000. IFAD's total contribution is US\$750,000. PEP will cofinance the programme through an in-kind contribution valued at US\$76,000 in staff costs. The proposed budget for each project will be on average US\$150,000.

Table 1

Costs by component and financier (Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>Cofinancier</i>	<i>Total</i>
1. Field activities	456 750	-	456 750
2. Project management	287 250	76 000	363 250
3. Publications	6 000	-	6 000
Total	750 000	76 000	826 000

Table 2
Costs by expenditure category and financier
 (Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>	<i>Cofinancier</i>	<i>Total</i>
1. Personnel (including subcontractors)	219 750	76 000	295 750
2. Professional services/consultancies	284 150		
3. Travel costs	145 750		
4. Equipment	13 000		
5. Operational costs, reporting and publications	6 000		
6. Training/capacity-building	13 850		
7. Overhead	67 500		
Total	750 000	76 000	295 750

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To increase the availability of evidence in policy making and to understand what works, where, why and under what conditions in agricultural development and rural poverty reduction.	Increased evidence-base, in the form of 5 policy-friendly briefs prepared on the results and policy implication of the 5 impact evaluations	5 policy-friendly briefs prepared	Policy briefs based on evidence
Objectives	<ol style="list-style-type: none"> 1. To contribute in the development of the global public knowledge of the effectiveness of development agencies' interventions in developing countries which will inform government and relevant stakeholders in generating evidence-based policies. 2. To contribute to assess the general impact in the participating countries towards reducing absolute and relative poverty and the evidence gathered through the impact evaluations will provide lessons that are specific to the effectiveness of the interventions put in place in the participating countries. 3. To contribute to build impact evaluation capacity of Government officials, local institutions and local evaluation practitioners. 	<p>Number of evidence-based knowledge products for each impact evaluation (i.e. policy briefs)</p> <p>Number of knowledge products on lessons learned on impact of specific interventions</p> <p>Number of learning events/workshops on results and findings of the impact evaluations</p>	<p>Evidence-based knowledge products prepared and disseminated</p> <p>Knowledge products on lessons learned prepared and disseminated</p> <p>Learning events/workshops on results organized</p>	<p>IFAD Country Office, Implementing Agencies, and all relevant stakeholders, effectively collaborate</p> <p>Baseline data and/or other secondary data available</p> <p>Appropriate local service providers identified and available (i.e. for data collection)</p>
Outputs	<ol style="list-style-type: none"> 4. An inception report describing the impact evaluation protocol, including a detailed evaluation framework/design and implementation plan. This should include relevant evaluation questions for specific target groups. 5. Data collection tools 6. Databases containing the survey data and findings from the qualitative studies. 7. Evaluation reports, detailing the findings of the evaluation. 	<p>1 inception report produced</p> <p>3 evaluation reports produced</p> <p>1 technical note on the design of survey instrument and data collection methods</p> <p>1 final summary report produced</p> <p>2-3 data collection tools produced</p> <p>3 database containing the survey data and findings from the qualitative studies</p>	Reports produced and disseminated	Appropriate comparison groups are identified
Key Activities	<ol style="list-style-type: none"> 8. Inception phase 9. Data collection and detailed analysis phase 10. Analysis and reporting phase 	(see above)	Reports produced and disseminated	