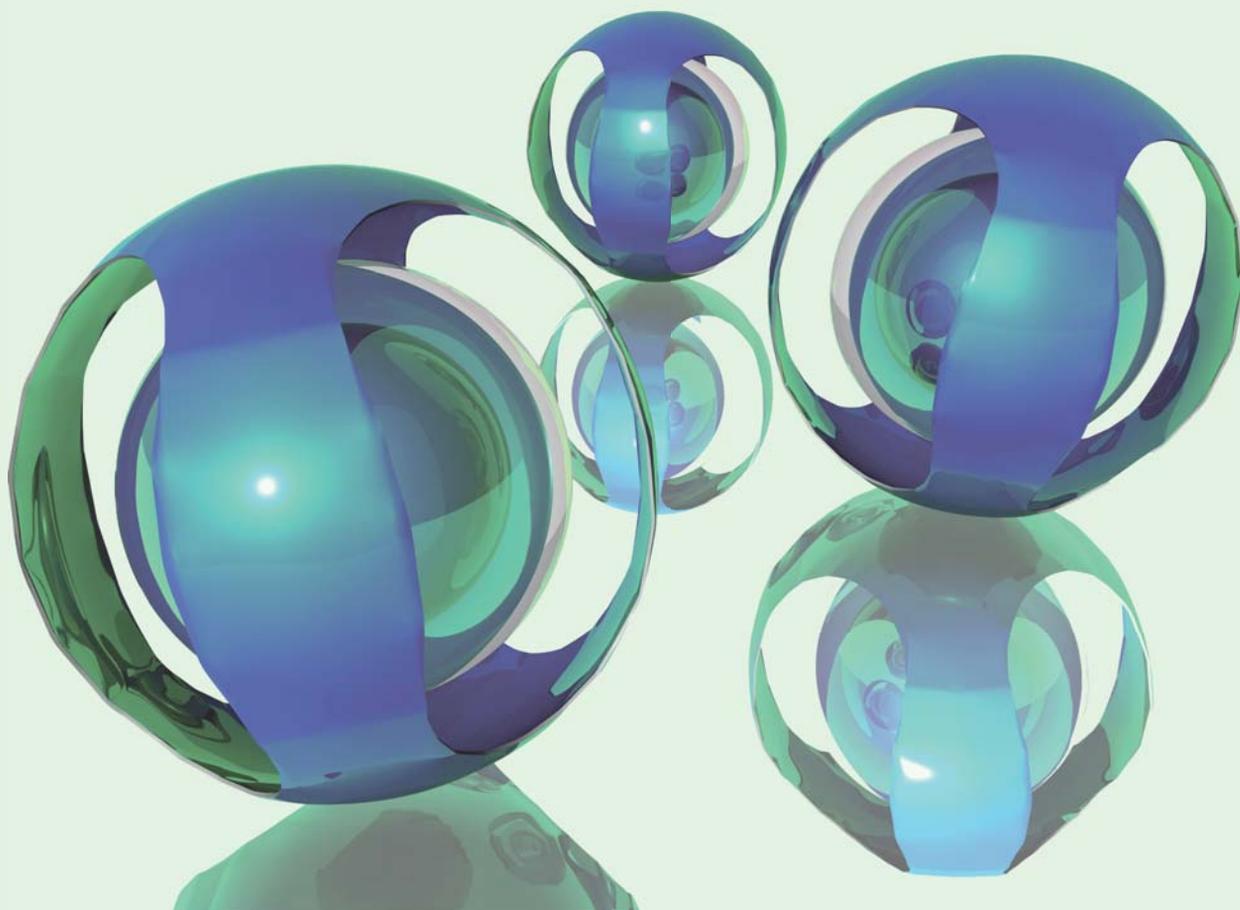




Enabling poor rural people
to overcome poverty

IFAD's independent evaluation: Ten years of accountability, learning and transformation

April 2013



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April 2013



10 years IOE
Independent Office of Evaluation
2003-2013 Accountability and learning for better rural livelihoods

A special acknowledgement is extended to the IOE 10th anniversary team for its dedication and for the preparation of this commemorative booklet. The team includes Vera P. Weill-Halle, consultant, and IOE staff: Melba E. Alvarez, Evaluation Communication and Knowledge Management Officer; Cristina Benvenuti, Communication Intern; Prashanth Kotturi, Evaluation Research Analyst; Francesca Palombo, Evaluation Intern; and Maria Cristina Spagnolo, Evaluation Assistant. In addition, an appreciation is extended to IFAD's Communications Division for the constructive comments and suggestions provided during this process.

The designations 'developed' and 'developing' countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

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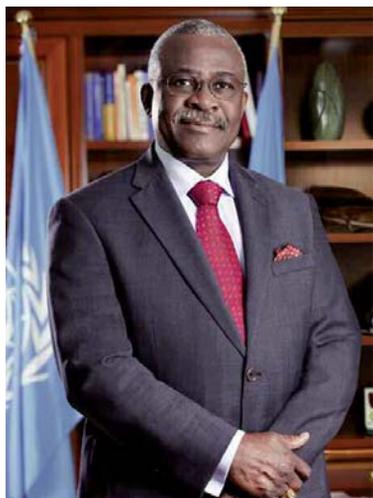
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Abbreviations and acronyms

ACP	agreement at completion point
AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
COSOP	country strategic opportunities programme
CPE	country programme evaluation
EC	Evaluation Committee of IFAD's Executive Board
ECG	Evaluation Cooperation Group of the multilateral development banks
IFI	international financial institutions
IOE	Independent Office of Evaluation of IFAD
OE	Office of Evaluation and Studies (now IOE)
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
SDC	Swiss Agency for Development Cooperation
UNFPA	United Nations Population Fund

President's introduction: Ten years of progress



The first ten years of the independent evaluation function is a landmark for IFAD. I am pleased to offer some observations on the progress made so far and to re-affirm IFAD's commitment to enhancing the independent evaluation function with a view to continued learning and accountability that will lead to improved rural livelihoods.

IFAD is the only United Nations specialized agency with an independent office of evaluation similar to those at the Asian Development Bank and the World Bank, which demonstrates that IFAD Management and Governing Bodies are committed to ensuring objective and credible independent assessment and reporting of results, with the appropriate documentation of lessons and good practices. In view of the soundness and

credibility of IFAD's evaluation function, other United Nations organizations are looking to IFAD to learn from its policy of independent evaluation and its methods, organization and experience with a view to upgrading their own evaluation functions.

The international development community has established that independent evaluations contribute to enhanced organizational effectiveness. Such evaluations are most successful when three parties play a constructive role: the independent evaluation function, the management and the governing body. IFAD's operations and evaluation functions are enriched when there is cross-fertilization of knowledge and experience: the independent evaluation function must not be perceived as operating in isolation.

There has been renewed international attention in the past decade to agricultural development and smallholder agriculture. In the developing world, farming is increasingly regarded as a business activity with the potential to contribute to overcoming global hunger and poverty. Since 2009, the Group of Eight and G20 nations have committed US\$22 billion to food security over three years; African countries are also making major increases in domestic investment in agriculture.

Today, we face new challenges. In response to higher and more volatile food prices, the impacts of climate change and growing concern as to how to feed the world's ever-expanding population, IFAD must think in terms of a real transformation of agriculture and rural development rather than simple expansion. It will need to develop its roles as broker, catalyst and facilitator of partnerships to enable

smallholders to connect to markets and value chains.

IFAD's focus on these issues is therefore critical in terms of improving farmers' productivity, increasing their incomes, enhancing the livelihoods of rural communities and ensuring sustainability. IFAD must remain flexible to adapt to the evolving needs of communities and individual farmers. Independent evaluations have helped and can continue to help IFAD to capture lessons learned and identify areas for improvement.

Over time, IOE's evaluation recommendations have contributed to institutional changes, and have shown IFAD's increased compliance with evaluation recommendations.

The following chart highlights IFAD's compliance rates and responsiveness in implementing evaluation recommendations within specific timeframes.



Source: PRISMA 2012

IFAD has been promoting increased focus on value chains in country programmes, and is ensuring that poor rural people and producer organizations have access to markets and value chains. The Private-Sector Development Facility, established in response to an evaluation recommendation, is enabling IFAD to lend directly to the private sector.

To maximize the benefits of the independent evaluation system, the evaluations must be rigorous, impartial and credible. Independent evaluations contributed to the fine-tuning of IFAD's business model in critical areas while maintaining the focus on poor and vulnerable populations.

If IFAD is to achieve its goal of enabling 80 million people to move out of poverty by 2015, it needs to scale up partnerships with other stakeholders – the Rome-based agencies, other United Nations organizations, governments, the private sector, NGOs and donors. The Field Presence Pilot Programme evaluation and IFAD's commitment to expand its country presence have led to the establishment of 38 country offices. This change alone has equipped IFAD to participate in policy dialogue and collaboration with partners at the country level more effectively.

In closing, may I congratulate the IOE team on their dedication and hard work over the last ten years: their evaluations have played an important catalytic role

for improvements at the programme and institutional levels. We must maintain a frank and open dialogue with IOE, the Evaluation Committee and the Executive Board on results and lessons learned from independent evaluations.

A handwritten signature in black ink, appearing to read 'Kanayo F. Nwanze', with a large, sweeping flourish underneath.

Kanayo F. Nwanze
President of IFAD

A man wearing a wide-brimmed straw hat and a light blue button-down shirt is kneeling outdoors. He is holding a large quantity of bright yellow corn kernels in his hands, and a stream of them is falling from his fingers. The background shows a clear blue sky and some green foliage. The overall scene is bright and sunny.

Argentina

The 2009/10 country programme evaluation in Argentina was important in that it was conducted at a time of major challenges in the partnership between the Government and IFAD.

Among other issues, the report identified two challenges to the success of the programme – an underlying difficulty affecting Argentina’s institutional arrangements and the relatively small size of the portfolio, which received limited financing under IFAD’s performance-based allocation system – and drew attention to issues affecting IFAD’s role in middle-income countries.

The evaluation led to a new strategy for IFAD’s engagement in Argentina, which included greater focus on policy dialogue, South-South cooperation and institutional coordination. Today, the relationship between IFAD and the Government of Argentina is back on track and is increasing value for all partners.

Preface

Since its establishment in 1977, IFAD's evaluation function has evolved significantly. The function was carried out initially by the Monitoring and Evaluation Unit, which focused mostly on mid-term evaluations during project implementation, and over time its name and reporting lines were changed. The major transformation was the establishment of the independent evaluation function in 2003, approved by the Executive Board as part of IFAD's first Evaluation Policy, which created the Office of Evaluation. Under the revised Evaluation Policy of 2011, the office was re-named as the Independent Office of Evaluation of IFAD (IOE).

The World Bank and other international financial institutions (IFIs) were the precursors of IFAD's independent evaluation function in that they contributed to the body of knowledge that informed the development of IOE. In this publication, some of these external partners set out their views on the issues that arose in the course of establishing independent evaluation functions in IFIs. Internal partners also offer their observations on IFAD's experience in setting up its evaluation function and on future challenges: the President of IFAD, Chairs of the Evaluation Committee of IFAD's Executive Board,

and the Associate Vice-President of the Programme Management Department. The former Director of IOE and I focus on IOE's functions and instruments and offer a historical overview of the establishment process and the wide-ranging support received from IFAD Management and Governing Bodies, and from country partners.

IOE is now recognized by its peers and country partners as an able provider of evidence-based analysis derived from sound evaluation methods. IFAD Management also recognizes these attributes and has shown its readiness to adopt IOE recommendations with a view to improving results on the ground. But IOE must ensure that long-term impacts are realized and that they lead to enhanced effectiveness and efficiency in IFAD's operations. To do this, IOE will continue to monitor progress and produce the best analytical evaluations for consideration by IFAD Management, the Executive Board and Evaluation Committee, and the public.

There is still more to be done to ensure that changes are integrated into IFAD's operational model, at various levels including the country level. IOE will continue its role as independent evaluator, providing recommendations on policy

and operational issues to foster learning, accountability and programmatic changes. Among some of the emerging issues that will affect smallholder agriculture and rural development are policy dialogue, climate change, biofuels and rural energy needs. These will need to be explored further to determine their significance in the future development of IFAD.

IOE is a member of the Evaluation Cooperation Group of the multilateral development banks and the United Nations Evaluation Group, from which it has benefited considerably. Recently, Mr Christoph Fuchs, from the permanent mission of Switzerland to the United Nations, approached IOE to draw upon its experience in revising its evaluation system. As an Executive Board member of the United Nations Population Fund (UNFPA), Switzerland is engaged in the efforts to establish a strong independent evaluation function within this organization. Mr Fuchs reports that during the UNFPA Board debate on this issue: "... IFAD was often referred to as a positive example of a Fund with a successful independent evaluation function."¹

In April 2013, IOE will complete its first ten years of operations. We are confident that IOE will continue to respond to the needs of IFAD and to the new development

contexts. Collaboration with other IFIs and United Nations agencies will be essential. The constructive partnerships and dialogue with IFAD Management and the Governing Bodies as well as with national governments and other in-country partners will be further developed as the independent evaluation function evolves to play its part in meeting the development challenges ahead.

In closing, I would like to thank all IOE staff, both past and present, for their commitment and hard work in ensuring that independent evaluations at IFAD can indeed make a contribution to better rural livelihoods. They have been instrumental in the implementation of the Evaluation Policy over the last decade. Appreciation is due to IFAD Management and staff as well as partners at the country level for their willingness to engage in independent evaluation processes and for making data and information available to facilitate our evaluations, as well as for their efforts to implement evaluation recommendations in a timely manner. The Evaluation Committee and Executive Board also merit a special reference for their oversight, support and strategic guidance, which was essential in the initial stages in the development of IFAD's independent evaluation function. Last but not least, I would like to take this opportunity to thank all the contributors,

¹ E-mail dated 14 February 2013.

including the President of IFAD, who have kindly shared their thoughtful insights in the production of this commemorative booklet.



Ashwani Muthoo
Acting Director
Independent Office of Evaluation of IFAD



Armenia

The 2012 project performance assessment of the Rural Areas Economic Development Programme identified improvements in access to rural credit for small-scale and medium-scale entrepreneurs as a result of incentives provided by the Rural Finance Facility. Investments in infrastructure contributed to improvements in rural livelihoods and increases in incomes and food security. Agricultural production, crop diversity and commercial activity were also enhanced.

The programme was less successful in targeting the poor, especially for loans and infrastructure investments, and it also needs to improve its gender focus. The assessment findings call for further attention to activities aimed at increasing support for the value-chain approach; institutional and policy reforms; and rural entrepreneurs. Activities need to be extended to increase public awareness and participation in decisions on infrastructure investments.

A historical overview of IFAD's evaluation function

Luciano Lavizzari

Ambassador of Switzerland to Malawi, Zambia and Zimbabwe, and former IOE Director



The vision to create the International Fund for Agricultural Development emerged from the 1974 United Nations World Food Conference in Rome, which called for the establishment of an institution whose primary focus would be on the rural poor. At that time, official development assistance was perceived as ineffective in reaching the poorest populations in developing countries. IFAD was set up in 1977 as an international organization with a mandate to assist the rural poor. Its governance structure created a unique partnership between the Organisation for Economic Co-operation and Development, the Organization of the Petroleum Exporting Countries and the developing countries.

IFAD's *modus operandi* is broadly similar to the other international financial institutions (IFIs), but IFAD is also a specialized agency of the United Nations, and is hence a hybrid organization with

operating instruments from IFIs and development organizations.

When IFAD began its operations in 1978, its evaluation function was vested in the recently created Monitoring and Evaluation Unit, which focused on monitoring the performance of the IFAD project portfolio in accordance with the existing guidelines. Initially, the Unit did not take part in full-scale evaluations because IFAD's projects were in the early stages of implementation. It was subsequently transformed into the Monitoring and Evaluation Division, reporting to the Assistant President, Economic Policy Department, an arrangement that lasted until 1994.

The evaluation and monitoring functions in IFAD were separated following the 1994 recommendations of the *Rapid External Assessment of IFAD*. The Office of Evaluation and Studies (OE) was created shortly afterwards on the basis of a decision at the

Consultation on the Fourth Replenishment of IFAD's Resources. The assessment also recommended that the Director of OE should report directly to the President and to the Board. Hence, the oversight of OE was entrusted to the Office of the President.

Extensive debate in the IFIs in the 1970s and 1980s on the importance of the evaluation function centred on the value of independent evaluation. In 1987, the Evaluation Committee of IFAD's Executive Board was established as proposed; its first meeting took place in April 1988. The Committee was mandated to assist the Executive Board by undertaking in-depth reviews of evaluations and studies, relieving the Board of such tasks.

The work of the Evaluation Committee was governed during 1999 by the principles adopted at its first session. In the same year, the Executive Board approved new terms of reference and rules of procedure for the committee, and specified that it was established with the specific purpose of assisting the Board on evaluation issues.

The terms of reference were broadened in 2004, and coverage of IFAD's operational self-evaluation system was aligned with the revised Evaluation Policy adopted in 2011.

The 2002 Consultation on the Sixth Replenishment of IFAD's Resources urged IFAD Management to create an independent evaluation function because it would provide value and contribute lessons learned from evaluations, thereby enhancing learning and

accountability. The first Evaluation Policy, approved by the Board in April 2003, led to greater independence from Management on evaluation issues.

As the first Director of IFAD's Independent Office of Evaluation (IOE), I was well aware that too many evaluation reports of development institutions were gathering dust on bookshelves. I wanted to ensure that IFAD could formulate an effective evaluation policy and that the adopted principles of independent evaluation, learning and accountability were embedded in IFAD. I was motivated to contribute to the enhancement of IFAD's development performance, and approached my role by:

- (i) creating the instruments that would enable IOE and IFAD to measure impact at the operational and country levels;
- (ii) ensuring that rigorous methods were in place in IOE; and that formulation of the new evaluation methodology permitted the consolidation of results, which was reported through the Annual Reports on Results and Impact of IFAD Operations;
- (iii) establishing the agreement at completion point concept, which resulted in the creation of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), enabling IFAD Management and country

borrowers to agree on and carry out the recommendations of the evaluations; and

- (iv) formulating partnerships and conditions for impact with the support of the evaluation team, which included senior IFAD managers, project staff and government and country-level officials.

In the process of achieving change, some tensions were unavoidably created. But I believe that these tensions were constructive and based on mutual respect between IOE and Management, and contributed overall to IFAD's effectiveness as an organization.

Partnership with the Swiss Agency for Development Cooperation: Strengthening independent evaluation at IFAD

The “Partnership on Development Effectiveness through Evaluation” between the Swiss Agency for Development Cooperation (SDC) and IFAD started in May 2001. It was implemented over three years before being extended for a second and a third phase, with the latter ending in December 2012.

The partnership has supported a number of initiatives aimed at strengthening the evaluation function in IFAD. A major partnership achievement was the joint evaluation of agriculture and rural development with the African Development Bank’s Operations Evaluation Department, the first of its kind for IOE. With the partnership’s support, IOE also developed its first evaluation manual containing core evaluation fundamentals, methods and processes. The manual was translated into several languages and disseminated widely. These are major accomplishments for independent evaluation at IFAD.

“Through the partnership, SDC was able to adapt elements of IFAD’s evaluation approach to its own work, thereby strengthening its evaluation system. Moreover, the partnership provided an opportunity for SDC to contribute to the reform of IFAD’s operating model, starting notably with the Independent External Evaluation of IFAD (2005), and also with targeted corporate-level evaluations on direct supervision and implementation support (2005) and on the field presence pilot programme (2007), and thereby to contribute more widely to the debate around IFAD’s development effectiveness.” Michel Mordasini, Assistant Director-General of SDC and Governor of Switzerland to IFAD.

Key milestones and evaluations in the evolution of the Independent Office of Evaluation

- 2013**
 - Ten years of independent evaluation at IFAD
 - Corporate-level evaluation on IFAD's efficiency
- 2011**
 - Independent Office of Evaluation
 - Revised Evaluation Policy and terms of reference of the Evaluation Committee
 - Corporate-level evaluation on gender
- 2010**
 - Peer Review of IFAD's Office of Evaluation and Evaluation Function by the ECG
- 2009**
 - Evaluation Manual: Methodology and Processes
 - Joint evaluation with AfDB on agriculture in Africa
- 2007**
 - Corporate-level evaluation on field presence
- 2005**
 - Independent External Evaluation of IFAD
 - Corporate-level evaluation on direct supervision
- 2004**
 - Revised terms of reference and Rules of Procedure adopted for the Evaluation Committee
- 2003**
 - Office of Evaluation
 - First Evaluation Policy approved by IFAD's Executive Board
 - First Annual Report on Results and Impact of IFAD Operations (ARRI)
- 1999**
 - The Board adopts the first terms of reference and rules of procedure for the Evaluation Committee
- 1994**
 - Office of Evaluation and Studies, reporting to the Office of the President
- 1982**
 - Monitoring and Evaluation Division
- 1978**
 - Monitoring and Evaluation Unit in the Economic and Planning Department



Ghana

The 2012 country programme evaluation in Ghana found that compared with previous evaluations, the performance of the portfolio had improved. At the same time, it identified weaknesses in geographic targeting as IFAD's investments had decreased in the northern regions where poverty was more prevalent.

The change of government in January 2009 provided an opportunity for policy dialogue, which resulted in the acceptance of proposals for better programming and increased focus on the poorer regions of the country. Initially, the value-chain and marketing schemes in the country programme were not adequately implemented because of IFAD's limited working experience with the private sector. IOE's recommendations were accepted, and IFAD-supported programmes in Ghana are currently on target tackling poverty in the north and engaging private-sector partners in the value chains.

A decade of accountability and learning for agriculture and rural development: IFAD's Independent Office of Evaluation

Ashwani Muthoo

Acting Director

Independent Office of Evaluation of IFAD



IFAD's first Evaluation Policy, approved by the Executive Board in April 2003, enabled the introduction of an independent evaluation function, which included IOE's direct reporting line to the Board.

In the succeeding ten years, broad support for this function has developed throughout IFAD and its Governing Bodies. The Evaluation Cooperation Group of the multilateral development banks confirmed a similar finding in its first peer review in 2009/10, which was entitled *Peer Review of IFAD's Office of Evaluation and Evaluation Function*.¹

IOE was ably guided through its initial decade by its first Director, Mr Luciano Lavizzari, under whose leadership it accomplished major improvements

that enhanced the independent evaluation function. The Independent External Evaluation of IFAD (2005) was a major undertaking managed by IOE on behalf of IFAD's Executive Board. It examined IFAD's contribution to rural poverty reduction, the results and impact it achieved in this area and the relevance of the organization in the international development community. The findings of the evaluation were a turning point in that they gave IFAD the impetus to re-work its operating model and introduce organizational changes intended to enhance its relevance and effectiveness.

IOE's other instruments – corporate-level evaluations and country programme evaluations – have also contributed to

¹ This Peer Review demonstrated that IOE plays an important role in promoting organizational transformation through assessing results and generating lessons. Nevertheless, there are other challenges that IOE plans to address in the near future, such as increasing collaboration in evaluation among the Rome-based agencies, giving greater attention to knowledge-sharing based on evaluation, carrying out impact evaluations, and enhancing evaluation capacity in developing countries.

far-reaching changes. Two corporate-level evaluations in particular, the 2005 Direct Supervision Pilot Programme and the 2007 Field Presence Pilot Programme, led to the introduction of direct supervision of projects and the establishment of IFAD country offices. These are two of the most significant adjustments to IFAD's business model since its foundation in 1977. The 2010 corporate-level evaluation on innovation and scaling up underlined the need for further investment in promoting innovations in agricultural technology, and showed for the first time that "scaling up is mission critical" to enable IFAD to make a wider contribution to improved incomes, nutrition and food security.

Evaluations of other issues such as rural finance, partnership with the private sector, the joint evaluation with the African Development Bank on agriculture in Africa, and gender had a similar influence on policy and programmatic changes. And in 2013, IOE completed a ground breaking corporate-level evaluation of IFAD's institutional efficiency, the first of its kind among bilateral and multilateral organizations, with a view to making IFAD more efficient in achieving its mandate.

IOE's country programme evaluations in Argentina, Ghana, India, Madagascar, Viet Nam and Yemen further enhanced accountability and raised the profile of evaluation learning and the feedback loop. These evaluations led to a number

of improvements, especially in the development of new country strategic opportunities programmes, which remain the major vehicle for IFAD's engagement at the country level.

The examples of country programme evaluations highlighted in the boxes throughout this booklet synthesize some of the lessons learned. IOE's evaluation instruments and products are becoming an integral part of IFAD's knowledge base and are fostering institutional learning, change and accountability. With the experience gained over the past ten years, IOE has accumulated a significant amount of evaluative data for larger-scale analysis of the performance and impact of IFAD's operations.

IOE's flagship document, the *Annual Report on Results and Impact of IFAD Operations* (ARRI), provides an overview of the performance of IFAD operations, discusses lessons learned and draws attention to systemic issues that merit further analysis. The 2012 ARRI is a case in point: it dealt with the issue of policy dialogue, which is essential for scaling up to achieve better results in rural poverty reduction, clearly identifying it as an issue requiring further consideration.

IFAD is one of the few multilateral and bilateral organizations that has a comprehensive Evaluation Manual on methodology and processes (2009). In the preparation of the manual, IOE held

Strengthening collaboration on the evaluation function among Rome-based agencies dealing with agriculture, food, and rural poverty alleviation

The evaluation offices of the Rome-based agencies of the Consultative Group on International Agricultural Research, the Food and Agriculture Organization of the United Nations, IFAD and the World Food Programme, issued for the first time a joint statement calling for closer collaboration on evaluation among the Rome-based agencies. The primary purpose of the collaboration is to share and promote good practices dealing with challenging aspects of evaluating projects in the development and humanitarian context. It is anticipated that these efforts will contribute to efficiency gains, increased effectiveness, impact based from evaluation work, enhanced credibility of evaluations and make progress in the harmonization of evaluation methods.

They have identified several ways to enhance coordination: share the respective work programmes; hold at least one annual consultation and share experiences and methodologies; collaborate and network at international and regional conferences and events; share information on consultants; and participate in the evaluation seminars and learning events of common interest to Rome-based agencies.

The joint statement became effective on 2 April 2013 and was issued by the heads of evaluation of the four organizations.

consultations with IFAD's internal and external partners, incorporated international good practices and built on inputs from international development evaluation experts. The Manual's primary purpose is to ensure consistency, rigour and transparency in independent evaluations, and it has certainly enhanced IOE's effectiveness, credibility and quality of work.

The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) prepared by IFAD Management, is part of the evaluation system introduced under the Evaluation Policy (2003). The PRISMA is used to monitor the implementation of evaluation recommendations agreed by IFAD Management and, in the case of country programme evaluations, also by the government concerned. The PRISMA report and IOE's comments on it, which are both reviewed by the Evaluation Committee and the Board, have been referred to as an evaluation best practice in a study by the Swedish Agency for Development Evaluation (*IFAD's Management Response System - The Agreement at Completion Point Process*, by Sara Bandstein and Erik Hedblom, Swedish Agency for Development Evaluation, 2008).

This study also commended IOE for its agreement at completion point instrument, which allows IFAD Management and the government concerned to express their agreement or disagreement with

the recommendations of an independent evaluation in a transparent manner. IOE then has a final opportunity to clarify further for the Evaluation Committee its position on recommendations that are not agreed.

The Peer Review mentioned above assessed IFAD's systems of independent evaluation and self-evaluation and recognized their robustness. The review made a series of recommendations for IOE that further harmonized IFAD's evaluation function with those of other international financial institutions. One such change was for IOE to discontinue the resource-intensive project evaluations and introduce project completion report validations and project performance assessments on a selective basis. These and other changes to IFAD's evaluation system were incorporated in the revised Evaluation Policy approved by the Board in 2011.

A critical dimension of IFAD's independent evaluation function is IOE's relationship with the Executive Board and the Evaluation Committee, which constitute the authorizing environment for IOE to function effectively and efficiently, for example by reviewing its annual work programme and recommending approval of its budget to the Governing Council. The Board and the Evaluation Committee make recommendations that are instrumental in ensuring that IOE remains at the cutting edge of international development evaluation and that lessons from independent evaluations

are promptly taken up by IFAD Management with a view to further enhancing the performance of the organization.

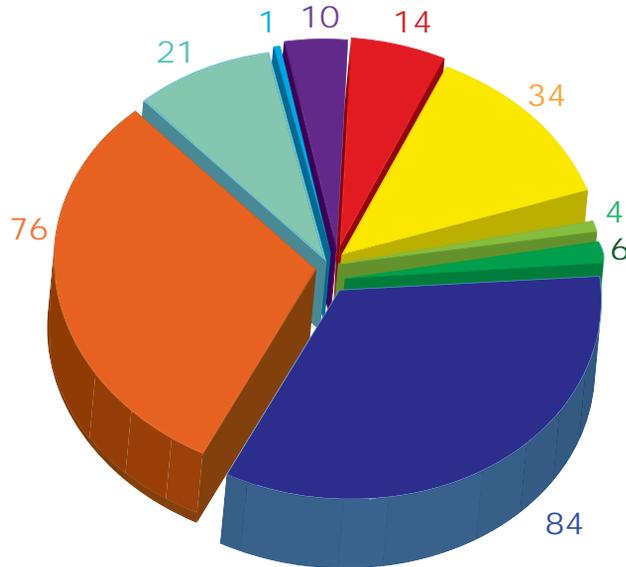
Communication and evaluative knowledge: Bridging the gap between accountability and learning

Promoting effective learning and knowledge management is one of IOE's two main objectives.

IOE's Evaluation Communication Unit concentrated initially on providing pre-publication quality assurance on evaluation reports, but its work broadened over the years to include the publication of shorter evaluation products with a view to broadening the dissemination of evaluation findings and increasing stakeholders' involvement in evaluations.

IOE's independence has sometimes been viewed as a potential barrier to learning and knowledge sharing. But the division has in recent years sought to enhance the dissemination of results and the sharing of evaluative knowledge. It has also renewed its commitment to bridging the gap between accountability and learning, particularly by increasing the number of learning events connected with evaluations. Further efforts will be invested in strengthening the evaluation knowledge and feedback loop, so that new and ongoing operations can benefit from project experiences based on evaluation.

IOE's evaluation products from 2003-2013



Since 2003, IOE has published more than 150 evaluation reports and close to 100 Profiles and Insights.

Evaluation Manual. Our evaluation approach is harmonized with internationally accepted evaluation norms and principles established by the Development Assistance Committee of the Organisation for Economic Co-operation and Development, the Evaluation Cooperation Group of the multilateral development banks and the United Nations Evaluation Group.

Annual Report on Results and Impact of IFAD Operations (ARRI). This is IOE's flagship annual report. It presents a consolidated picture of the results and impacts achieved and a summary of cross-cutting issues and lessons from evaluations conducted by IOE.

Corporate-level evaluations assess the results of IFAD's corporate policies, strategies, business processes or related organizational matters. The findings and recommendations they generate are used for the formulation of more effective policies and strategies or to improve business processes and organizational architecture.

Country programme evaluations assess the performance and impact of IFAD-funded operations in a country and generate findings and recommendations that serve as building blocks for the preparation of a new IFAD country strategic opportunities programme (COSOP).

In 2011, IOE started producing evaluation **syntheses** on topics such as cooperatives and gender. The aim is to facilitate learning and promote wider use of evaluation findings by capturing knowledge on common themes and findings in a variety of situations.

Thematic evaluations assess the effectiveness of IFAD's operations, and contribute to increasing the knowledge in IFAD of selected topics.

Project evaluations (project completion report validations and project performance assessments) assess results and impacts, and generate findings and recommendations that can inform other projects funded by IFAD.

Profiles are two-page summaries of the main conclusions and recommendations arising from an IOE evaluation.

Insights focus on a single learning issue emerging from evaluations. The aim is to generate debate among development practitioners.

The role and experience of IFAD's Evaluation Committee



Shobhan Pattanayak (India)
Chairman of the Evaluation Committee
from April 2011 to December 2012



Agus Saptono (Indonesia)
Chairman of the Evaluation Committee
from April 2013 to March 2015

The Evaluation Committee (EC) of IFAD's Executive Board was established in 1988; it is one of the two standing committees of the Board, the other being the Audit Committee. The EC consists of nine Board members, four representatives from List A (Organisation for Economic Co-operation and Development), two from List B (Organization of the Petroleum Exporting Countries) and three from List C (developing countries). The chair of the EC rests with List B or List C.

The primary responsibility of the EC is to advise the Board on evaluation issues. It does this by assisting the Board in its oversight role; enhancing the Board's ability to assess the quality and impact of IFAD-supported programmes and projects; and increasing the Board's knowledge of lessons learned in IFAD-supported programmes with a view

to ensuring that IFAD has an effective and efficient evaluation function.

IFAD's Evaluation Policy led to the creation of a new governance structure for its independent evaluation function, and provided a framework in which evaluations contributed to institutional learning and accountability. During the 2000s, the Policy enabled the EC to engage with IOE and IFAD Management on evaluation issues and propose institutional changes.

The EC commends IOE on the quality of its evaluation reports and products. The Annual Report on Results and Impact of IFAD Operations (ARRI) has become IOE's annual flagship publication and IOE reports consistently provide sound analysis supported by evidence from a variety of sources to validate the conclusions. This

robust data, coupled with open and critical evaluations, has enabled the EC to make useful decisions for improving IFAD's performance. IOE's recommendations are reviewed by the EC and presented to the IFAD Executive Board. Several evaluations and their analyses have contributed to organizational and operational changes in IFAD.

“The success of the independent evaluations and the implementation of evaluation recommendations was the outcome of the willingness of IOE and IFAD Management to work together and respond to each other's concerns: learning and accountability are two sides of the same coin.”

Since 2001, the EC has conducted regular country visits in connection with IOE country programme evaluations (CPEs). These visits have strengthened the EC members' knowledge and understanding

of the opportunities and challenges IFAD faces in delivering its mandate. This in turn enabled EC members to carry out their oversight role effectively and to offer informed feedback and guidance to IFAD Management, IOE and the Board on issues that merit attention in terms of reducing rural poverty.

The EC visited the Syrian Arab Republic in 2001, Indonesia in 2004, Mexico in 2006, Mali in 2007, the Philippines in 2008, India in 2009, Mozambique in 2010, Brazil in 2011 and Ghana in 2012; it is planning a country visit to Viet Nam in 2013. The EC benefited from opportunities for direct interaction with country partners, national authorities and project beneficiaries.

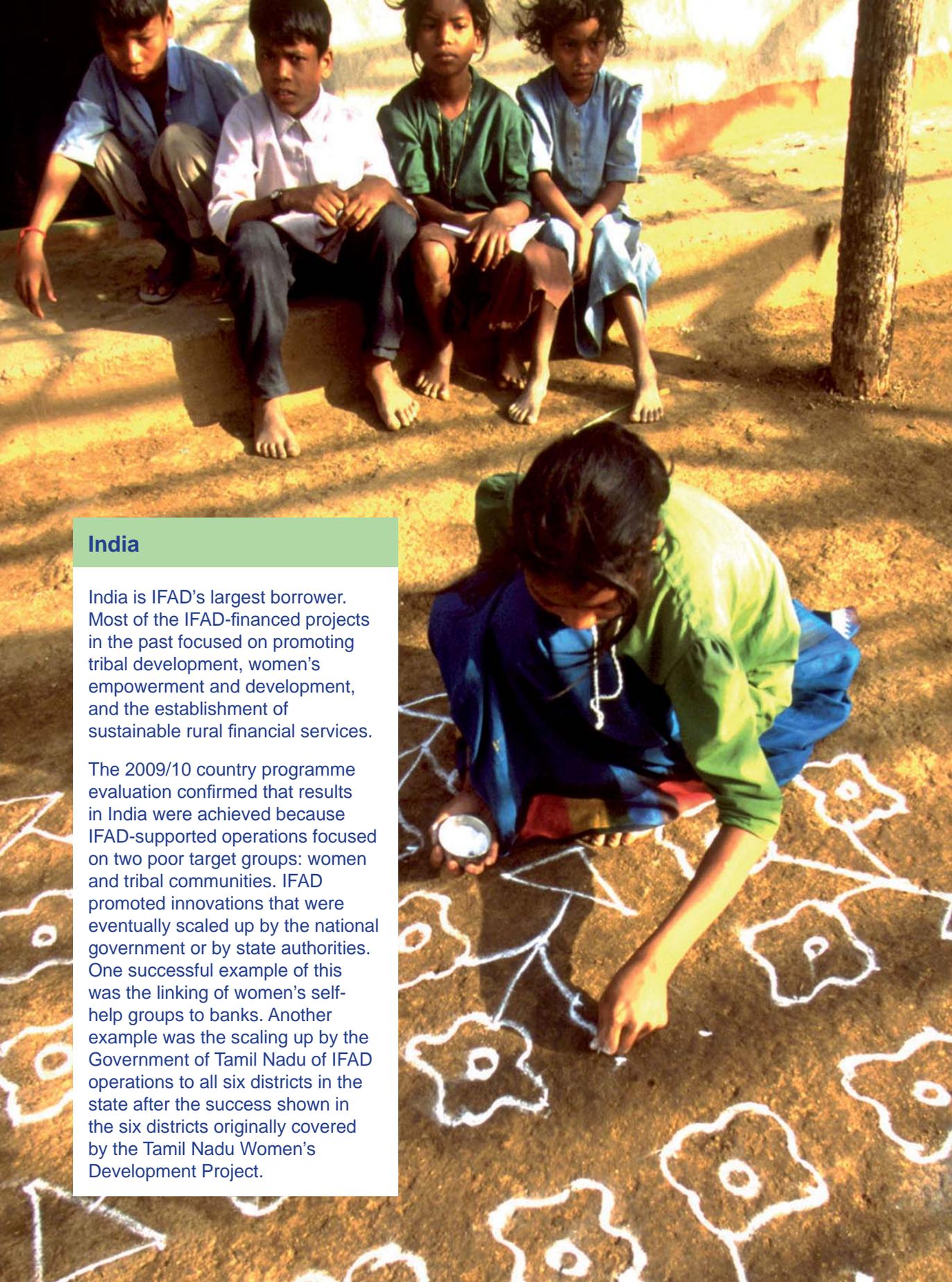
The CPE in Indonesia in 2003/04 was an early example of innovation in IOE in that IFAD staff and EC members were able to participate in the national round-table workshops and interact with country partners and project beneficiaries. This became a model for other CPE workshops and field visits by EC members. Such direct exposure to project activities furthered EC members' awareness and made them more effective in formulating policy recommendations.

The CPE for India in 2009 was important in that it confirmed the effectiveness of IFAD's operating model in the country and focused on the target groups – poor women and tribal communities. This CPE helped IFAD develop a new country strategic opportunities programme and learn from

experience, expand operations in India and, in collaboration with the Government, tackle some of the most serious problems of rural poverty.

IOE invariably responds to the concerns of the EC and is willing to address initiatives such as the *Peer Review of IFAD's Office of Evaluation and Evaluation Function* by the Evaluation Cooperation Group of the multilateral development banks in 2009/10. This review reaffirmed that IOE's evaluation products are being well used at IFAD, and stated that "corporate evaluations were influential and contributed to changes that had a strategic impact on IFAD." The review also led to several enhancements in IFAD's evaluation system, which has further strengthened IOE's credibility and usefulness.

As Chairs of the EC, we have seen that collaboration can bring results and lead to institutional improvements. The success of the independent evaluations and the implementation of evaluation recommendations was the outcome of the willingness of IOE and IFAD Management to work together and respond to each other's concerns: learning and accountability are two sides of the same coin. As EC members, we shall continue to work to ensure that IOE and IFAD Management are effective contributors to institutional change and improvement.



India

India is IFAD's largest borrower. Most of the IFAD-financed projects in the past focused on promoting tribal development, women's empowerment and development, and the establishment of sustainable rural financial services.

The 2009/10 country programme evaluation confirmed that results in India were achieved because IFAD-supported operations focused on two poor target groups: women and tribal communities. IFAD promoted innovations that were eventually scaled up by the national government or by state authorities. One successful example of this was the linking of women's self-help groups to banks. Another example was the scaling up by the Government of Tamil Nadu of IFAD operations to all six districts in the state after the success shown in the six districts originally covered by the Tamil Nadu Women's Development Project.

The genesis of evaluation independence in international financial institutions

Robert Picciotto

Visiting professor at London King's College and former Director-General of the World Bank's Independent Evaluation Group



"I believe that this (evaluation) initiative will have two principal benefits. It will contribute to the formulation of policy and procedures by enabling us to learn more from our past experience. And it will give us a degree of conviction about the impact of what we are doing which we could obtain in no other way."

*Robert S. McNamara (1970)
President of the World Bank from 1968 to 1981*

Evaluation independence in organizations contributes to their credibility by displaying openness and willingness to recognize shortcomings. Independence is also critical to the integrity of the evaluation function: an arm's-length relationship with management associated with appropriate safeguards that encourages the selection of relevant evaluation subjects, facilitates candour in reporting and protects the public interest by increasing accountability.

This is why evaluation independence in international financial institutions (IFIs) has come to be recognized as a

corporate asset. The importance of sound evaluation governance also explains why the Evaluation Cooperation Group (ECG) addressed the independence issue from the outset.¹ The publication *Good Practice Standards on Independence of IFIs' Central Evaluation Departments* in 2010 was the culmination of years of debate, informed by experience in diverse authorizing environments, as to the precise meaning of evaluation independence.

Independent evaluation is now widely perceived as a prerequisite

¹ The Evaluation Cooperation Group (<http://www.eib.org/projects/evaluation/coordination/ecg/index.htm>) was established in 1996 by the heads of evaluation in multilateral development banks to harmonize evaluation methods and approaches and to increase the use of evaluation for greater effectiveness and accountability.

for sound corporate governance in development cooperation.

But it was not always so: the history of development evaluation started in 1971 when Robert S. McNamara instructed his hand-picked “whiz kids” within the World Bank Programming and Budgeting Department to evaluate the contribution of the Bank’s operations to the development of member countries. Accordingly, during the pioneering years the focus was on the design of workable self-evaluation processes; independence only came later.

“Independent evaluation is now widely perceived as a prerequisite for sound corporate governance in development cooperation.”

This came about because Mr McNamara had always viewed evaluation as an indispensable management instrument. At the Ford Motor Company and at the United States Department of Defense he emphasized management by objectives, and saw no conflict between the twin objectives of evaluation – accountability and learning. Given his determination to base analysis on sound evidence he wanted the evaluation function at the World Bank to: (i) deliver a reliable evaluation scorecard that would track successes and failures through cost/

benefit calculations; and (ii) draw regularly on lessons from development experience with a view to improving operational policies and practices.

Thus, under Mr McNamara, development evaluation began as a systematic self-assessment mechanism designed to produce confidential and objective information to a data-hungry World Bank President about the effectiveness of the organization. From the start Mr McNamara made it clear that evaluators should reach their conclusions without interference from operational managers and staff. This reflected his legendary determination to secure hard information on which to base strategy design and managerial accountability.

But he soon discovered that a rigorous evaluation function is not invariably welcomed by managers and staff. Making those in authority responsible for the successes and also for the failures associated with development interventions was bound to raise apprehension and concern throughout the organization. Accordingly, the World Bank President came to recognize that the function would need to evolve in ways that would ensure its sustainability. In the absence of precedents from other institutions, he took a direct interest in managing the inherent tensions of the evaluation function and eventually decided to guide it towards greater independence.

Through trial and error, a synergistic

combination of independent evaluation and self-evaluation emerged. The first step towards independence was taken in 1973, when a fully-fledged evaluation department was set up under the oversight of a vice-president who held no operational responsibilities. In 1975, following interventions from the United States Government,² the World Bank President agreed to grant structural independence to the evaluation function under a director-general responsible to the Board with the rank of vice-president.

From then on, the central evaluation unit would report to the Board through the Director-General but would retain an administrative link to the President, shown as a dotted line on the organization chart. The work programme of the unit would be approved periodically by the Executive Directors; all evaluation reports would be endorsed by the Director-General and copied to the Executive Directors and to the President. It was agreed that the Director-General would be chosen by the Executive Directors from candidates put forward by the President, but that he/she could be removed only by the Executive Directors. The Director-General would not be eligible for reappointment to the World Bank Group.

As experience was gained, the logic of evaluation independence continued to assert itself under successive World Bank presidents and director-generals. The evaluation department demonstrated its independence by publishing regular objective reports, which could be hard-hitting and critical. The Board established a Committee for Development Effectiveness, and the evaluation function set up safeguards regarding conflicts of interest. Quality assurance was enhanced, and greater evaluation transparency was achieved. In particular, a new evaluation information disclosure policy was enacted to make most evaluation documents accessible

“Through trial and error, a synergistic combination of independent evaluation and self-evaluation emerged.”

to the public; periodic reviews of the independent evaluation function were also commissioned.

Eventually the administrative dotted line connecting the evaluation function to the President was eliminated. Changes were instituted to give more voice to the Board with respect to the selection of the Director-General. And in the first decade

² The General Accounting Office tasked with the evaluation of United States government policies and programmes reports to Congress.

of the 21st century, steps were taken to protect the independent evaluation function from indirect management pressure. Authority over evaluation budgets and personnel management was allocated to the Director-General under the oversight of Board committees.

The interface between independent evaluation and self-evaluation also evolved. As the quality of self-evaluations improved, the independent evaluation function was able to focus on country assistance and thematic strategies. But the principles governing the relationship between the two functions continued to be those set by the first Director-General, Mervyn Weiner.

Having faced stout opposition from Bank managers and staff, Mr Weiner declared that evaluation should be carried out in the first instance by those directly involved in the operational side of the Bank's work. He argued that most evaluation activities should be decentralized and self-evaluative, while independent evaluation should concentrate on attesting to the validity of evaluation findings and carrying out meta-evaluations to draw cross-cutting lessons and provide independent assessments of organizational performance.

The mutual accountability framework embedded in this approach was supported by processes that allowed operational managers to express their views on issues raised by the evaluation department. Equally, the comments of developing

country partners were included in final evaluation reports. Any remaining disagreements would be stated in footnotes in the evaluation documents forwarded to the Board. In this way operational managers and partner countries retained the right to agree or disagree with the ratings and recommendations of independent evaluation.

Debates under the aegis of the Committee for Development Effectiveness about the utilization of evaluation results were instrumental in making operational staff and partner countries integral parts of the development evaluation function. The resulting structural designs and evaluative practices were subsequently endorsed, adapted and refined by other IFIs such as IFAD, all of which now subscribe to the notion that 'independence is not isolation.' Executive directors, presidents, senior managers and independent evaluators are jointly tasked with ensuring that the institutions are self-evaluating, accountable and transparent organizations that respond to member countries' needs and concerns. The direct consequence of this policy has been diversification of the clientele of central evaluation departments in all IFIs.

Although Boards of Directors are the main clients, developing member countries and organizations' senior, middle and task managers are also stakeholders of the independent evaluation function because they are accountable for the outcomes of

development interventions. This helps to ensure that evaluation findings are taken into account in decision-making. In turn, independent evaluators are mandated to take account of stakeholders' views in assigning merit, worth and value to the specific development intervention.

“Independence is not isolation.”

These, then, are the foundations on which independent evaluation was constructed in the IFIs and in IFAD. Under wise leadership, IFAD has lived up to the ECG standards of evaluation independence. In particular, IFAD has responded to all the implications of the participatory approach to evaluation in its programming and evaluation methods, outreach and capacity-building. In the light of the findings of independent evaluations, IFAD has adapted its operational practices to implement its mandate as a United Nations specialized agency, and now, ten years after the evaluation function assumed its independence, it finds itself well equipped to face a challenging operating environment.



Viet Nam

The country programme evaluation for Viet Nam found that IFAD achieved several objectives: a positive effect on policy dialogue and capacity-building at the local level, including policy support for the land-use rights of forestry producers; greater decentralization and better land-use practices; and enhanced participation of farmers and their organizations.

At the same time, the evaluation identified limitations in policy dialogue in relation to the national government and challenges related to access to rural credit. Enhanced partnerships with the private sector and donors to Viet Nam will be essential for continued success.

Reduced concessional funding for the country, combined with increased vulnerability resulting from climate change and persistent poverty among ethnic minorities could severely affect the rural poor in most of the targeted provinces, making a shift to a market-oriented programme even more challenging.

The contribution of evaluation to development effectiveness: Independent evaluation at IFAD

Vinod Thomas
Director-General
Independent Evaluation Department
Asian Development Bank



Independent evaluation has been instrumental in improving development and institutional effectiveness at IFAD, which is a relatively small international financial institution that focuses on a single sector – agriculture and rural development – and targets its support to the rural poor. IFAD has a specialized mission in a challenging sector, so it is important that it measures and assesses its results in order to develop better projects and identify successful and innovative interventions that can be scaled up and replicated. Independent evaluation has been essential in fulfilling this role by creating a results-oriented institutional culture and providing the data and analysis needed to establish a credible accountability and learning function at IFAD.

As a result, IFAD has been able to carry out evaluations in a timely manner through the Independent Office of Evaluation (IOE). These have provided important lessons as

to what has worked and why. Successful evaluations can identify weak links in the results chain and can focus the attention of managers and policy makers to address them. To improve results, linkages are assessed not only within projects but also through country programmes.

My comments highlight IOE evaluations whose findings have challenged existing practices and aimed to improve development effectiveness by connecting interventions to desired results more effectively. These examples focus on: (i) achieving the right results; (ii) how those results are measured; and (iii) using evaluations to improve results. Although these are IFAD-specific examples, the findings are consistent with and relevant to other institutions working in the agriculture and rural development sectors.

Achieving the right results

Tailoring projects to country needs

A number of country evaluations illustrate the importance of choosing the appropriate development approach based on the country context. Instead of the traditional “one size fits all” approach focusing on investments in bottom-up development, it is necessary to tailor approaches to country needs. The country evaluations in Brazil and Mexico, for example, showed that the requirements of middle-income countries are significantly different from the priorities of low-income countries. The interest of middle-income countries in engaging with IFAD is often motivated by the desire to acquire information on successful innovative practices and knowledge relating to agricultural and rural development activities.

Making the forward linkages in the value chain

The Roots and Tubers project in Ghana was successful in increasing yields by introducing new varieties and improving agronomic practices. But this did not lead to greater income, because the project omitted post-production and marketing activities: the lack of increased income was caused by a number of factors such as a general decline in cassava prices – most likely a result of the overall increase in output levels, which flooded the local market.

Measuring results in the right way

Averages mask elite capture of benefits

In terms of averages, many project components are successful in delivering inputs such as credit and input subsidies, but the beneficiaries are not always those originally intended. A recurrent finding in evaluations is that men and the better-off accrue substantially more of the benefits than women and the poor.

The micro-macro paradox: good projects do not necessarily lead to good country programmes

A number of evaluations have found that IFAD projects often perform satisfactorily and provide many useful benefits at the local level. But such satisfactory projects are not necessarily translated to successful country programmes that contribute to rural poverty reduction at the national level. This is partly caused by unsystematic approaches to policy dialogue, knowledge management and scaling up at the country level.

Using evaluations to achieve better results

Working together to address difficult challenges

Development results in agriculture and rural development have lagged behind in Africa compared with results in other regions. The growth and policy reforms in many African

countries in recent years, however, indicate a changing context and new opportunities. In view of this, IFAD and the African Development Bank (AfDB) undertook a joint evaluation of agriculture and rural development in Africa. By working together, IFAD and AfDB were able to take on this comprehensive sector evaluation to generate more and deeper knowledge about what works to increase incomes and food security and to reduce poverty in the rural economy. Despite the challenges, the joint evaluation identified ways to enhance the partnership between the two organizations and the results it could achieve.

Innovation, replication and scaling up

Evaluations show that IFAD has done a great deal to promote innovations in institutional arrangements, gender and pro-poor agricultural technology: one example is the support provided through the International Rice Research Institute to develop scuba rice, which is resilient to flooding. IOE's evaluations did show that replication and scaling up are mission-critical for achieving development objectives. However, in the past these activities were not always pursued in a systematic manner in IFAD-designed programmes.

“Independent evaluation created a results-oriented institutional culture and provided the data and analysis needed to establish a credible accountability and learning function at IFAD.”

Yemen

The 17-year partnership between IFAD and the Government of Yemen has been a positive one overall. Nonetheless, the 2013 country programme evaluation showed that early projects had been too complex in terms of subsector coverage, and that they had not made adequate provision for institutional support. The evaluation also highlighted major benefits derived from the projects: effective outreach to most of the poor and remote communities; expansion of beneficiaries' access to social services and construction of community infrastructure; promotion of participatory development; and significant cofinancing secured for projects.

The evaluation noted a number of major challenges for future planning: lack of effective authority to deal with development and security issues; water scarcity, poor irrigation practices and vulnerability to climate change; need to create economic opportunities to generate employment and income, especially among women and young people; need for greater private-sector and value-chain development; and need to increase IFAD's country presence, its engagement in policy dialogue with the Government and its partnerships with other donors.



The Independent Office of Evaluation and the Evaluation Cooperation Group

Cheryl Gray

Director, Office of Evaluation and Oversight,
Inter-American Development Bank,
and Chair, Evaluation Cooperation Group
of the multilateral development banks



The Independent Office of Evaluation (IOE) is a member of the Evaluation Cooperation Group (ECG), a group composed of the evaluation offices of ten multilateral development banks¹ and the International Monetary Fund. In line with the mandate of the ECG – to harmonize evaluation standards through the development and dissemination of common approaches – the various offices have moved toward greater harmonization and hence greater comparability. There are slight differences among the organizations, but most have adopted similar approaches to evaluations of public-sector and private-sector projects and to sectoral, thematic and corporate-level evaluations. The group shares a common understanding of the characteristics and responsibilities of independent evaluation offices.

In practice, the role of ECG has expanded far beyond harmonization. It is now a forum for sharing ideas and experiences, coordinating work and publishing joint products that draw on the experiences of the members: IOE, for example, recently led an interesting and useful synthesis of ECG members' recent evaluations of their gender policies and programmes. The ECG is particularly valuable to its members because of the unique nature of their mandates, their independence from other parts of their organizations, and their need for mutual support to ensure quality and avoid isolation.

IOE is the only independent evaluation office among the United Nations specialized agencies, programmes and funds that is an ECG member. IOE qualifies for membership on the basis of: (i) its independence of

¹ African Development Bank, Asian Development Bank, Black Sea Trade and Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, IFAD, Islamic Development Bank, and World Bank.

IFAD Management; and (ii) the size, diverse membership and status of IFAD, which is itself a multilateral lending institution.

One of the requirements for membership was a thorough peer review of IOE, which was carried out in 2009. As a member of the review team, I can confirm that we examined in depth all aspects of IOE's work: we held extensive interviews with IOE staff and with internal and external clients, we reviewed evaluation reports and we analysed budgets and staffing. In 2010 we produced a peer review report for IFAD's Executive Board that identified strengths and weaknesses in IOE and, most important, served as a springboard for further enhancements of IFAD's evaluation function in subsequent years.

The ECG meets every six months, and its members have many other opportunities to interact and collaborate. In the summer of 2008, for example, I had the privilege to be invited to accompany IOE staff on a field mission to Ethiopia to discuss a recent country programme evaluation; we also visited IFAD projects in very poor rural areas of the country. This experience not only brought into perspective the crucial work that IFAD is doing in some of the poorest developing countries, it also highlighted the added value that evaluations can provide in documenting the results of IFAD's work.

The experience also illustrated the value of the ECG and showed how cooperation among the members can add benefits to evaluations: some of the Ethiopian projects

evaluated by IOE had been cofinanced by the World Bank, where I worked at the time, and I was able to apply the knowledge gained during the visit in World Bank evaluations at later stages of the same projects.

“The Evaluation Cooperation Group (ECG) is now a forum for sharing ideas and experiences, coordinating work and publishing joint products.”

On behalf of the ECG, I would like to congratulate IOE on ten years of fruitful existence: it has been a period of considerable learning and institutional development. Everyone in IFAD should be proud of IOE's role in providing objective and independent evaluations of the work of the organization.

The Evaluation Cooperation Group and evaluation independence

Fredrik Korfker

Former Chief Evaluator of the European Bank for Reconstruction and Development

“The development of objective indicators of performance is...essential for the public accountability of the multilateral development banks and their ability to justify their use of public resources to shareholder governments, parliaments, and the public.”

Serving a Changing World: Report of the Task Force on Multilateral Development Banks.
15 March 1996.

The Evaluation Cooperation Group (ECG) was set up in 1996 following a report by the Development Committee Task Force that recommended harmonization of performance indicators and evaluation methods among multilateral development banks. The heads of the evaluation units of the banks recognized the importance of sharing lessons from experience, and the ECG accordingly developed shared norms governing evaluation methods for public-sector evaluation, private-sector evaluation, country strategy evaluation, evaluation of policy-based lending and evaluation of technical assistance operations. The move was also intended to promote the use of evaluation to increase effectiveness and accountability.

From the start, the issue of evaluation independence figured prominently on the ECG policy agenda. On the basis of a literature review, four dimensions of evaluation independence were identified: (i) organizational independence; (ii) behavioural independence; (iii) avoidance of conflicts of interest; and (iv) protection from external influence. Criteria for each of these were agreed. A significant outcome of these developments is that most multilateral development banks now meet regularly to consider evaluation issues.

A document on good practice standards for evaluation independence in development-assistance organizations was issued in 2010. By then the ECG had reached agreement on a review mechanism whereby an independent peer-review panel would examine the structure and practices of evaluation functions in the multilateral development banks. In 2010, IFAD became the first organization to undertake such a review, confirming that IOE ranks high on all the agreed independence criteria.

Observations of IFAD's operations management

Kevin Cleaver

Associate Vice-President
Programme Management Department, IFAD



The IFAD Management perspective is that the Independent Office of Evaluation (IOE) has had and continues to have a significant impact on IFAD's operations and decisions.

One of the most significant evaluations managed by IOE was the Independent External Evaluation of IFAD, whose report was submitted to the Executive Board in 2005. This evaluation found significant shortcomings in IFAD's organizational structure, operational procedures and policies, with the result that IFAD-financed operations had a high frequency of mediocre or unsatisfactory impact on rural poverty reduction and food security. The shortcomings identified included the lack of IFAD staff presence in the countries in which its projects were operating, lack of IFAD supervision of projects and excessive dependence on cooperating institutions for the design and supervision of IFAD-financed projects. This hard-hitting evaluation led

to a total re-think of IFAD's strategies and operating procedures, which in turn led to the establishment of country offices, participation by IFAD in the design and supervision of its projects, and greatly reduced dependence on cooperating institutions in the design and supervision of IFAD projects.

Following the external evaluation, IOE has sponsored important thematic and country programme evaluations that have also contributed to changes in IFAD's business model. For example, IOE's country programme evaluations found that where IFAD had country offices in place, IFAD-financed projects performed better than in countries with no country office. This increased the resolve of IFAD Management to decentralize operating staff into country offices – there are currently 38 such offices – and helped persuade the Executive Board to allow this decentralization to occur.

Thematic evaluations of IFAD's rural finance, its impact on gender, its work with the private sector and its environmental impact led Management to prepare new policies and strategies in these areas, all of which have been approved by the Executive Board and are now being implemented. The improved strategies have changed the way IFAD operates in these areas: early evaluations of the results indicate improvements, particularly in the impact of projects on the environment.

We have learned that the independence of IOE does not necessarily result in its working in isolation. Independence assures the members of IFAD that the analyses and recommendations that it receives from IOE have not been influenced by Management pressure and are therefore dependable. However, a good office of evaluation wants more than to be simply credible: IOE also wants to have an impact, and it knows that for impact to occur, cooperation with IFAD Management and staff is necessary. Hence, in addition to evaluations, we jointly organize the negotiation of an agreement at completion point (ACP) for each evaluation that sets out the recommendations on which Management intends to follow up. IOE reports separately on Management follow-up to recommendations and comments on strategies that respond to its evaluations. For a country programme evaluation, the ACP also involves the government concerned. And learning events sponsored by IOE,

in which IFAD Management and staff participate, help to cement the findings in operations.

“The Independent External Evaluation of IFAD led to the establishment of country offices, participation by IFAD in the design and supervision of its projects, and greatly reduced dependence on cooperating institutions.”

Two of the most important innovations introduced by IOE and IFAD Management are the IOE Annual Report on Results and Impact of IFAD Operations (ARRI) and the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). In the ARRI, IOE summarizes the main findings of the year's evaluations, including project, country thematic and special operations. The ARRI looks at trends over time and at results, and provides strategic recommendations for the Management. In PRISMA, Management reviews the implementation of all IOE recommendations of the preceding year to which it has agreed. PRISMA is presented

to the Executive Board: it serves as a tool to enable Management and the Board to ensure that IOE's recommendations to Management are followed up.

IFAD's compliance with IOE recommendations has improved, driven in part by ARRI and PRISMA. This has led to the inclusion of country-level recommendations in follow-up country strategies and projects, which ensures that evaluations are taken seriously. It has also stimulated learning and led to improvements in subsequent projects and programmes at the country level.

In summary, the independence of IOE has sometimes led to tension in IFAD – but the increase in the credibility of its findings more than compensates for this. As long as IOE pursues credibility, impact and cooperation, perhaps with an added emphasis on capturing lessons and sharing them more broadly within IFAD and with other rural development practitioners, the result is a net gain for IFAD and for its target group – the rural poor.

Independent evaluation: A major lesson learned

The relationship between the evaluators and those being evaluated is at times characterized by tension. IOE's experience shows that to achieve optimum results both parties need to accept the two primary principles of evaluation:

- (i) Independent evaluation gives greater freedom to evaluators and enhances the credibility of evaluations and the benefits to the institution.
- (ii) Effective learning is achieved when the evaluators and the staff of the institution are ready to collaborate during the evaluation process, remain receptive and permit transparency during the entire process.

The IOE team



Photo by Susan Beccio

Photograph taken in December 2012 of IOE staff, consultants and interns. Three staff members were on mission.

Photographs

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