Operation Performance Evaluation Review

FAO Framework Agreements

Regional

(Technical Cooperation Operations)

January 2011

Evaluation Department

EvD

European Bank
for Reconstruction and Development

Abbreviations

AGM	annual meeting
CIS	Commonwealth of independent states
CSU	Consultancy services unit
FA	Framework Agreement
FAO	Food and Agriculture Organisation
ETC	Early transition countries
EvD	Evaluation department
EBSF	EBRD Shareholder Special Fund
GEF	Global Environmental Fund
ICD	Investment Centre Division
IFI	International financial institution
MDB	Multilateral Development Banks
MoU	Memorandum of Understanding
OCU	Official co-financing unit
PCR	Project Completion Report
SIC	Standard Industrial Classifications
TC	Technical cooperation
TC COM	TC Committee
UN	United Nations
XMR	Expanded monitoring report
XMRA	Expanded monitoring report assessment

Definitions

EastAgri Network	The EastAgri Network is a consultative group of international financial institutions, bilateral donors, local banks and private sector parties with a common interest in investing in the agribusiness/agriculture sector in (mostly EBRD eligible) transition countries

Contents

1. The EBRD FAO partnership

1.1 Background

The cooperation between the Food and Agriculture Organisation (FAO), a specialised entity within the United Nations (UN) family of organisations, and the European Bank for Reconstruction and Development (EBRD or "the Bank") started soon after the creation of the Bank in 1991. Following the example of other Multilateral Development Banks (MDBs), the Bank entered into a more formalised strategic alliance with the FAO in 1994 through a Memorandum of Understanding (MoU), signed by the Presidents of both institutions. Among other things, the MoU established a cost-sharing arrangement between the two institutions for Technical Cooperation (TC) consultant services assignments carried out in FAO member countries. The cost-sharing formula agreed was for the Bank to finance 70 per cent of each TC budget, with the remainder financed by the FAO.[1]

This cooperation was further strengthened through a subsequent Framework Agreement (FA or "the Agreement") for Operational Services between both organisations in 1997,[2] which has since been extended six times, with the most recent extension dating from February 2010.[3] The Agreement further streamlined the administrative requirements for each TC project undertaken by FAO, as explained further in Section 1.3.

The cooperation counterparties or "points-of-contact" under the Agreement, more specifically, are the FAO's Investment Centre Division (ICD)[4] and the Bank's Agribusiness team ("the Team").

1.2 Rationale for the strategic alliance ("*Relevance*")

Apart from the above-mentioned cost-sharing argument, at the core of this EBRD–FAO cooperation is the exploitation of synergy effects. The latter stems from ICD's operational experience and staff expertise in the field of agricultural investment programmes, and the Bank's public and private sector expertise in its region of operation. And, as a UN body, the FAO more generally commands considerable leverage potential, which the Bank wished to avail itself of.

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[1] Where such activities concern countries that have not applied to become members of FAO, the FAO involvement could be considered on a case-by-case basis and the Bank would bear 100 per cent of the costs involved.

[2] The Agreement was signed in London on 23 October 1997 by the President of the Bank and Jacques Diouf, the Director-General of FAO, for a duration of two years.

[3] The TCCOM Memorandum of February 2010 notes: "Signed on 23 October 1997 for an initial duration of two years, the Framework Agreement (FA) was renewed and extended in 1999, 2002, 2005, 2006, 2008 and April 2009. The FA is to expire on 31 December 2010." And, "In 2008, the Bank had the intention to revise its cooperation with FAO and to set up a regular annual programme funded by the Bank's Special Fund. However, due to difficulties to implement such a new annual programme under the Special Fund and uncertainty on the availability of funding, the Bank decided in April 2009 to extend its successful Framework Agreement with FAO in its current form."

[4] According to its web site (www.fao.org/tc/tci/newsandmeetings/en/) the ICD works in collaboration with over 30 international partners and 100 countries; coordinates multi-disciplinary FAO teams; has nearly 50 years of experience in the development and implementation support of agricultural investment programmes; helps strengthen the agriculture and rural development focus of national and regional policies and investment plans; builds national capacities to plan and implement sustainable agriculture and rural development investments; supports efforts to develop and finance quality public/private sector investment programmes; and carries out 700 field missions per year.

On a more practical level, the objective of the Agreement is to provide the Bank with ad hoc agribusiness expertise, to help with investment identification, due diligence, market surveys, sector and sub-sector analyses.

The actual framework portfolio to date, as will be discussed in more detail in Chapter 2, not only meets the expectations of demand for services but also satisfies the cost saving and efficiency prospects at the outset of the cooperation. The plausibility for comparative advantages from a professional expertise as well as from an administrative/operational perspective is illustrated in the ensuing section.

In view of this, the evaluation criteria of "relevance", regarded as equivalent to the "additionality" criteria normally applied in EBRD evaluation work, is assessed as *fully verified.*

1.3 Operational modalities ("*Efficiency of FA arrangements*")

The modus operandi is as follows: for each new TC assignment initiated by the Agribusiness team, a specific ICD Operation Leader prepares the terms of reference for the consultant assignment in consultation with its Bank counterpart. ICD then proposes a budget and technical experts to be assigned to the project. This forms the basis for the so-called "call-off" Agreement draw-downs, each of which is subject to TC Committee (TC-COM) approval. If the individual project budget (that is, call-off amount) is under €100,000, TC-COM approval is sought on a "non-objection" basis, otherwise TC-COM attends to it in its meetings. The original Agreement was approved by the Bank's Operations Committee (OpsCom) and its subsequent extensions were subject to TC-COM approval. In a sense, ICD acts as the executing agency for the Bank, which also explains the use of the US$ as the reference currency in this study's statistics, as it is the budgeting currency of the FAO (against the euro used by the Bank).

As to individual assignments, the Evaluation team understands from discussions at FAO[5] that for consultant selection first consideration is given to available in-house expertise (that is, qualifying and available FAO staff) before turning to its roster of pre-qualified external consultants.[6] This arrangement allows the tapping of a pool of unique expertise at relatively short notice compared with a considerably more cumbersome selection modus under the Bank's Procurement Policies and Rules, let alone the realisation of cost savings.[7]

The "uniqueness" justifying a departure from usual Bank procedures, that is, where the Bank (here the Agribusiness team) would recruit consultancy services on an international competitive basis, and for each

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[5] Discussions with the Chief, Shared Services Centre, Department of Human, Financial and Physical Resources (SSC/AFDS) in June 2010.

[6] According to its own accounts, the Investment Centre is comprised of about 80 professionals and is one of the largest groups of international specialists dedicated to increasing the effectiveness of investment in food security, agriculture and rural development. It is also serves as a link to the FAO's technical departments. Responding to the needs of the requesting government and financing institution, it is able to structure multi-disciplinary teams that combine the FAO's vast technical knowledge with a broad range of field experience. The unit also has nearly 50 years of experience in successfully developing agricultural programmes and projects for financial approval. Staff expertise includes: agricultural development; agricultural economics and economics; communications; crop and livestock development; environmental management; forestry; irrigation and drainage; land and water development; land tenure; marketing, agribusiness and value chain development; monitoring and evaluation; natural resources; public expenditure reviews; rural sociology; as well as sector-wide (SWAps) and programme approaches. Depending on the skills required and staff availability, the Investment Centre may also call upon a pool of experienced international and national consultants.

[7] From the same SSC/AFDS sources referenced earlier it was learned that, typically, a per calendar day fee charge of up to US$ 480 is applied, reportedly in line with general FAO standards (higher rates, however, may apply in individually well-justified cases, as was also learned). While it would be beyond the scope of this study to enter into a broader consultant fee analysis in support of the claimed comparative cost advantage, based on EvD's insight from

assignment separately, is a combination of factors, including (from the Bank's perspective) cost-effectiveness, relevance of skills and experience, speed of consultant deployment, administrative outsourcing capacity, and cross-fertilisation through institutional cooperation.[8]

1.4 Evaluation approach

This *evaluation coverage* is the time window from 1997 when the Framework Agreement (FA) was established until year-end 2009. It principally draws on analyses of existing data and reports available within the Bank, enhanced by information collected during a visit to FAO-ICD in Rome, participation in the EastAgri Network's annual meeting 2010 in Istanbul, interviews with EastAgri Network participants, and some further analyses.[9]

The *evaluation framework* guiding this report builds on the OECD-DAC evaluation principles[10] and the Bank's Evaluation Policy.[11] Relevance and efficiency considerations were referred to in Sections 1.2 and 1.3 above; the FA's effectiveness is discussed in more detail in Chapter 3. From the Bank's perspective, as discussed above, the FA is a financing tool mainly for satisfying project identification, and pre-investment due diligence requirements, and beyond this, a facilitator for inter-institutional networking (Section 3.3.1). Given this, the other two criteria ("impact" and "sustainability") are not applicable in the context of this evaluation, but attributable to eventual evaluation work regarding investment operations resulting from the FA (see ratings in Chapter 4).

Pertaining to this atypical EBRD evaluation subject – that is, a joint TC financing framework between an MDB and a UN organisation – the format of this Operation Performance Evaluation Review (OPER) varies to some degree from the usual template. The evaluation was carried out as an EBRD assignment by staff from the EBRD's Evaluation department (EvD) to which FAO's ICD contributed substantially (see Preface).

2. Portfolio analysis

Over the period under review the FA resulted in 72 activities in some 21 of the Bank's countries of operations for a total amount of US$ 6.1 million, of which US$ 4.4 million (72 per cent) were financed by the Bank, with the remainder borne by FAO. This portfolio is analysed in more detail hereafter.

past evaluation work it appears that the FAO-applied "typical" fee levels are below the ones applicable Bank-wide for consultancy services.

[8] It may deserve mentioning in this context that this EBRD–FAO arrangement is also regarded in line with the (albeit only concluded in 2005) so-called "Paris Declaration": The Paris Declaration, endorsed on 2 March 2005, is an international agreement to which over 100 Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators (www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html).

[9] EastAgri Network is a consultative group of international financial institutions, bilateral donors, local banks and private sector parties with a common interest in investing in the agribusiness/agriculture sector in (mostly EBRD eligible) transition countries

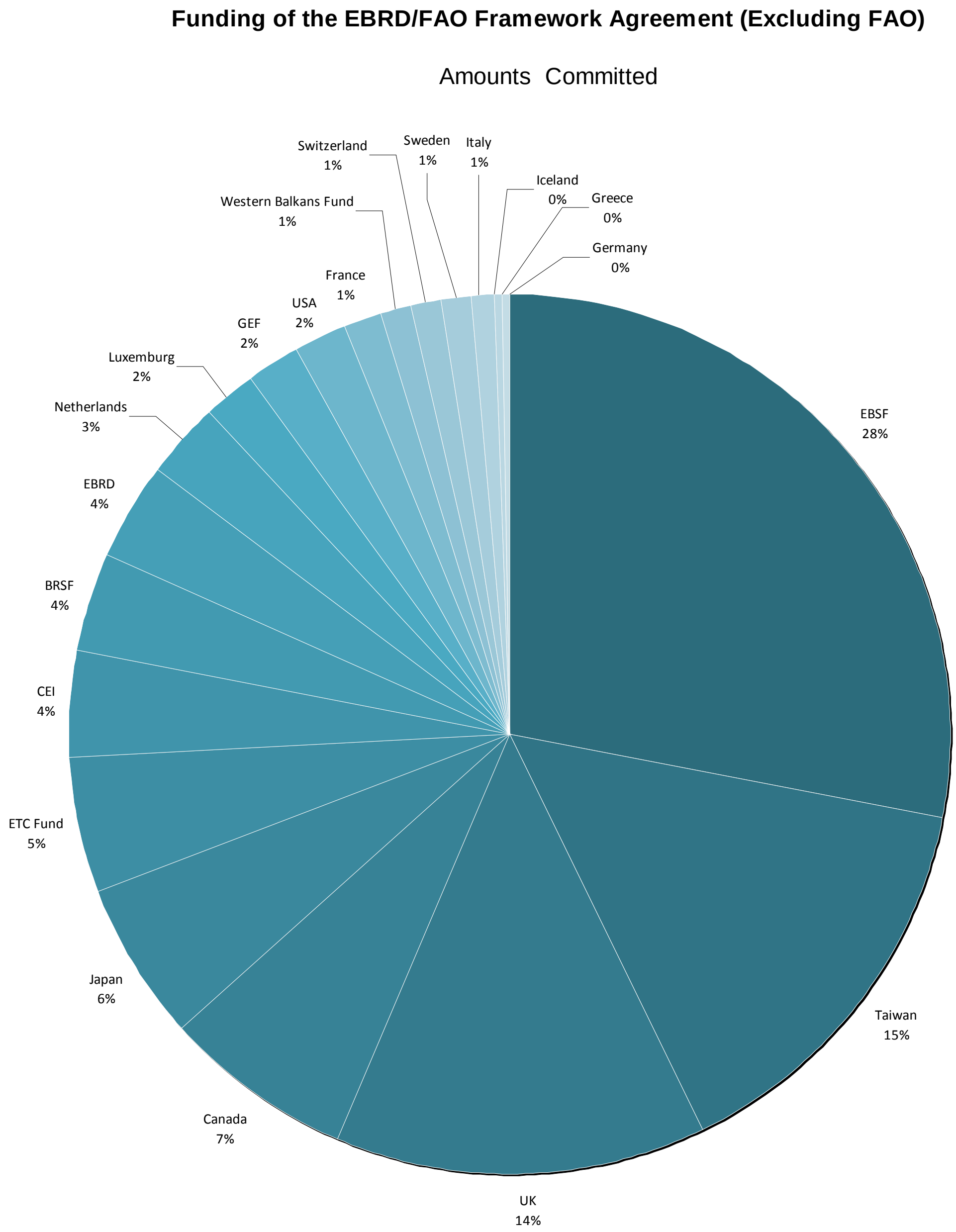
[10] These include: relevance, efficiency, effectiveness, impact and sustainability; OCDE/GD(91)208: Principles of Evaluation of Development Assistance, OECD, Paris 1991 www.oecd.org/dataoecd/21/41/35343400.pdf

[11] www.ebrd.com/projects/eval/showcase/evalpolicy.pdf

2.1 Funding by source origins

Excluding the FAO as a funding source, the funding on the Bank's side was secured from a host of bilateral (Bank shareholder) country sources and the EBRD Shareholder Special Fund (EBSF). The largest bilateral contributors include Taiwan (15 per cent), UK (14 per cent), Canada (7 per cent) and Japan (6 per cent); the EBSF contributed the largest share, accounting for 29 per cent.

Graph 1: FA funding sources from the EBRD



Source: ICD

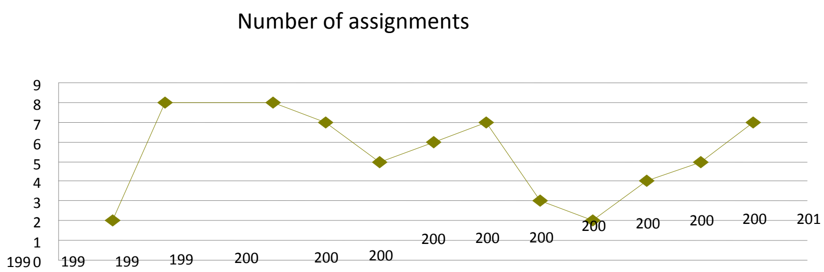
From a more dynamic perspective, there is no clear pattern for the utilisation of different funding sources, except that the largest bilateral contributors were particularly supportive during the earlier years, but since the creation of the EBRD Shareholder Special Fund (EBSF) in March 2008 (BDS08-035) the Framework has increasingly tapped into this source. However, and refuting that this pattern may suggest an intentional "crowding out" or replacement of bilateral funding, the general thrust of the Bank is, first, to try to identify a bilateral funding source and, if this proves not to be feasible, then to turn to the EBSF.

Such a staggered approach is reasonable, given, as is often the case for TC assignments envisaged by the Bank and going beyond this Framework, that TC financing from bilateral sources often faces constraints because of the "tied" nature of many such funds.[12] Still, it would be naïve to disregard the crude reality – and this appears applicable to the entire universe of TC funding in the Bank – that the more administrative strings that are attached by/to a funding source, the less likely it is to be employed, irrespective of source availability.

2.2 FA utilisation over time

As Graph 2 reveals, the FA utilisation follows an unclear pattern, with some sort of oscillating movements with downward trends since 2000 turning into steep increases since 2006: the maximum reached so far was during the mid/end-1990s, followed by a two-year decline with an interim trend reverse in 2002-04, but a sharp fall thereafter, before rising again since 2006.

Graph 2: Utilisation of the FAO/EBRD FA over time



Source: ICD

No clear causal interpretation seems possible. Some correlations that were suggested by the Agribusiness team include the increasing proportion of donor money becoming tied in the period 2005-07 and the emergence of the EBSF (2008), which made it easier for the team to readily access TC funding when needed. A further contributing factor mentioned was that during this period of decline, more projects with less sophisticated local sponsors were pursued, which in turn translated into more time being needed per case to develop, and with given manpower resources, less output numbers achievable.

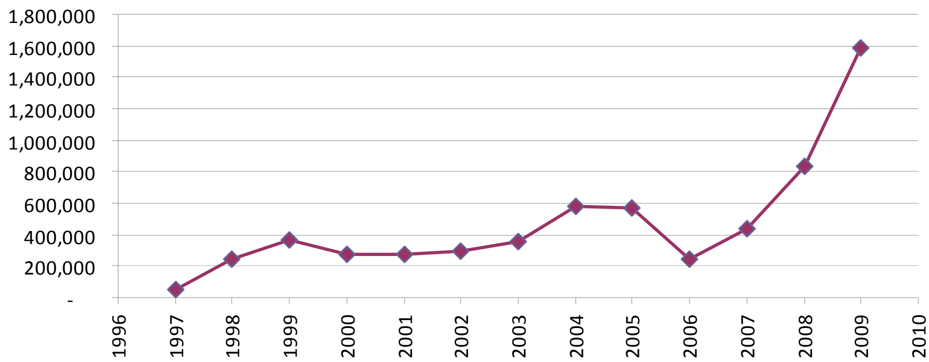
These explanations, however, would not conclusively explain the trend reverse since 2006. Conversely, the decline from 2000-06 reportedly relates primarily to the confluence of two factors: availability of "tied"

[12] According to http://en.wikipedia.org/wiki/Tied_aid: Tied aid credits are official or officially supported loans, credits or associated financing packages where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all developing countries (or Central and Eastern European Countries (CEECs)/New Independent States (NIS) in transition). Going beyond, several funding sources have sector

funding only with the associated impediments as explained above; and, staff fluctuation pattern and related shortages within the Banking team, but also partly rests with ICD, as was learned. The latter seem to have disrupted continuity and adequate capacity to handle the relatively small TC assignments. Moreover, with the emergence of the food and financial crisis from 2008 onwards, the need for TC increased, thus providing a stimulus for ICD and the Team to exploit the facility more intensely.

The USD-denominated commitment volumes presented in Graph 3 show, with the exception of 2005, steady increases that have accelerated considerably since 2006.

Graph 3: Commitments (in USD)



Source: ICD

The above-mentioned relative decline in numbers since 2000, coupled with the almost continuously increased funding, suggests that during the period at stake the average size of assignments has increased. This longer term trend is interpreted as related to the change in the type of assignments. While in the earlier years the Team was more supportive to a pre-existing client base regarding comparatively smaller volume projects, its strategy shifted to a more systematic approach involving the identification of new clients.

Commensurately, prompted by the 2007-08 food crisis[13] and also by the Team's responsiveness to EvD's earlier Agribusiness Operations Policy evaluation (SGS08-149)[14] the Team started giving more emphasis to policy dialogue assignments, which tend to be more costly as they require specific expertise in several fields and take a longer time (for example, to assist governments in the formulation and implementation of new regulatory regimes, the Grain Commodity Warehouse Law Reform in Russia being a case in point).[15]

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preferences or exclusions; temporary commitment constraints relating to national budget cycles; and several other condititionalities attached that, at times, are difficult to match with specific TC needs.

[13] "The years 2007–2008 saw dramatic increases in world food prices, creating a global crisis and causing political and economical instability and social unrest in both poor and developed nations" (http://en.wikipedia.org/wiki/2007%E2%80%932008_world_food_price_crisis).

[14] EvD Special Study Agribusiness Operations in Section 5.4: "The Study team is of the view that more efforts and resources may also need to be applied by the Bank towards achieving ASOP 2002 'Objective 4: Increase policy dialogues with member countries in cooperation with other development institutions'."

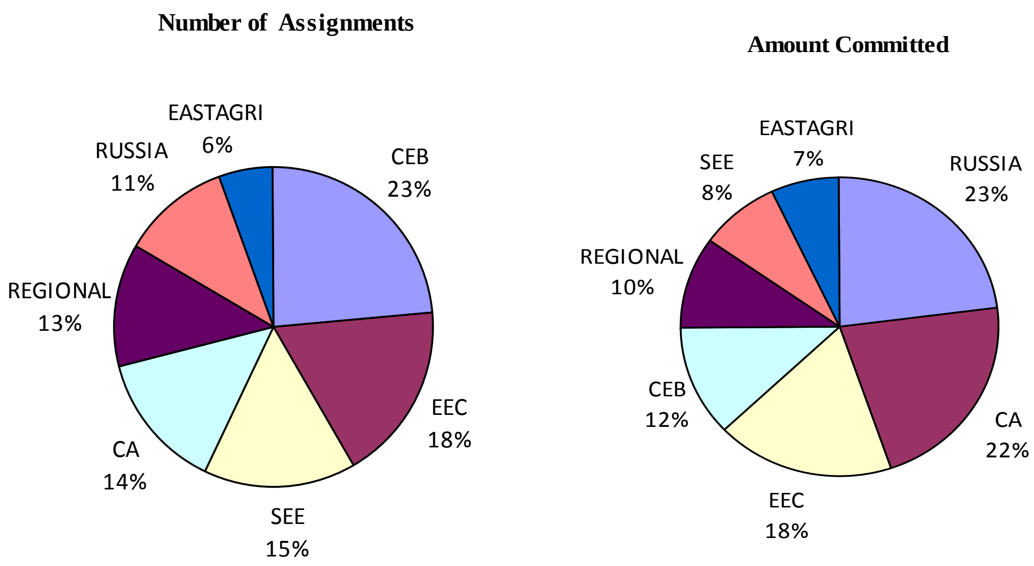
[15] In fact, while the Agribusiness team remained ICD's core counterpart throughout the Programme's existence, particularly in the wake of the 2008 global food crisis also other EBRD banking teams, notably the Office of the Chief Economist (OCE) and the Legal Transition team (LTT), occasionally benefitted from this financing scheme as well. OCE commented that "this intensified internal coordination has also improved policy dialogue focus on identifying the

2.3 Geographical analysis

As can be seen from the pie charts in Graph 4, in terms of the amount committed, Russia was the largest beneficiary of the framework (23 per cent, equating to €1,416,882 out of a total of €5,183,584), although accounting for only 11 per cent of the assignments (eight out of a total of 72). Since the amounts involved represent mainly consultant fees (at largely unified cost base, as explained elsewhere) and travel time, the relatively higher cost averages for Russia can be attributed to the higher complexity of studies undertaken and increased travel time involved.

Conversely, CEB represented 23 per cent of the assignments (17 in total) but only 12 per cent of the amount committed (€733,326).[16]

Graph 4: Geographical Distribution



Source: ICD

2.4 Sectoral analysis

The following sectoral analysis uses Standard Industrial Classifications (SIC) for the grouping of framework expenditures.

key agribusiness productivity constraints that would allow the transition region to utilise its production potential and ultimately maximise its contribution to global food security. The joint efforts to leverage EBRD's investor position combined with the FAO's agricultural expertise have supported since then a rather targeted discussions, that is, on the grain value-chain (joint paper on international grain reserves, October Private sector round table, Integrated Approach, grain warehouse receipts in Serbia and Russia)".

[16] The respective EastAgri portions of the charts, representing different types (than consultant assignment) of activities and encompassing all regions, will be described in more detail in Chapter 3.

Table 1: Sector allocation

SIC	Type of assistance	EBRD share	Total (i.e. incl. FAO portion)	Count	Average (Total/Count)	%
1111 Oilseed and Grain Farming	Project support	€508,142	€702,985	9	€78,109	≈34%
	Policy dialogue	€559,432	€799,187	2	€399,594	
1113 Fruit and Tree Nut Farming	Project support	€36,675	€98,740	2	€49,370	
1119 Other Crop Farming	Project support	€30,327	€43,324	1	€43,324	
1121 Cattle Ranching and Farming	Project support	€199,957	€285,654	2	€142,827	
1125 Aquaculture	Project support	€91,568	€130,811	1	€130,811	
3112 Grain and Oilseed Milling	Project support	€142,199	€184,490	4	€46,123	≈19%
	Policy dialogue	€93,009	€132,870	1	€132,870	
3113 Sugar and Confectionery Product Manufacturing	Project support	€54,422	€79,448	1	€79,448	
3115 Dairy Product Manufacturing	Project support	€222,469	€317,871	4	€79,468	
31212 Breweries, wineries, distilleries	Project support	€184,466	€240,475	7	€34,354	
	Policy dialogue	€285,532	€199,873	1	€199,873	
33311 Agricultural Implement Manufacturing (farm, garden, field machinery and related equipment)	Project support	€15,562	€22,231	1	€22,231	
4224 Wholesale Trade, Nondurable Goods – Food (grocery and related products):	Project support	€58,296	€83,280	3	€27,760	≈4%
	Policy dialogue	€54,659	€78,084	2	€39,042	
4451 Grocery Stores	Project support	€45,819	€65,456	1	€65,456	
4452 Specialty Food Stores	Project support	€14,569	€20,814	1	€20,814	
N/A		€1,820,403	€2,581,657	27	€95,617	≈43%
Total		€4,417,506	€6,067,250	70	€86,675	100%

Source: EvD

As can be seen from Table 1, the largest part of the financing cannot be set against any specific SIC. And, the respective average cost per activity involved is comparatively high at about €96,000. These uncategorised commitments were primarily devoted to general research and analysis activities and to activities under the EastAgri Network rather than to support a particular project (with the exception of a US$ 240,040 TC that related to the Tajik Agricultural Finance Facility – attributable to FI rather than Agribusiness). As referenced earlier, the EastAgri Network activities constitute the lion's share in this category and will be discussed in more detail in the next chapter.

Excluding the "N/A" category, which absorbs about 43 per cent of the total, it is interesting to observe – since it is contrary to widely held perceptions within the Bank – that the second biggest share (about 34 per cent) is taken up by SIC "Major Group 01: Agricultural Production Crops", hence upstream agricultural production, followed by processing (about 19 per cent) and retailing (about 4 per cent). Within these three non-“N/A” groups, policy dialogue accounts for about 13 per cent, 3 per cent and 1 per cent respectively.

The 34 per cent share of upstream work financed under the Agreement – while the EBRD mainly finances agricultural downstream, commercially-oriented investments – can possibly be best characterised as pre-feasibility work or “exploring of areas for potential investment opportunities”. The second and third batches account for 19 per cent and 4 per cent shares at an average activity cost of about €62,000 and €35,000 respectively, and represent investment territories with which the Bank, in a sense, is more familiar. Therefore, the Framework financing can be regarded as closely associated with investment opportunities, an observation that is supported by the discussion in the next section.

3. Achievement of objectives (“*Effectiveness/Efficacy*”)

3.1 General observation

Based on the “input-output-outcome-impact” logic, the Framework principally finances inputs that are ultimately geared to either helping the Bank (more precisely: predominantly the Agribusiness team) to generate investment operations or their post-approval facilitation. Outputs typically consist of:

- consultant reports (in turn, serving as inputs to investment due diligence or post-approval investment-support processes)
- research-type documents (informing the Bank, other investors, and the general agricultural community)
- meetings and internet products (bringing together and informing relevant parties of MDBs, UN organisations, business groupings and end-beneficiaries)
- policy dialogue initiatives (mainly geared towards overcoming development and transition impediments in the form of, for example, “red-tape”, lacking conducive legal frameworks; governance issues)[17]
- to a minor extent, various other outputs promoting an “enabling environment”.

[17] Policy dialogue by the Bank pertaining to the agribusiness sector is not specifically covered under this evaluation. To a certain extent this is because related initiatives, objectives and achievements are not documented to any consistent degree, and are therefore difficult to evidence, but also because policy dialogue as a generic and Bank-wide topic is currently the subject of a special study by EvD.

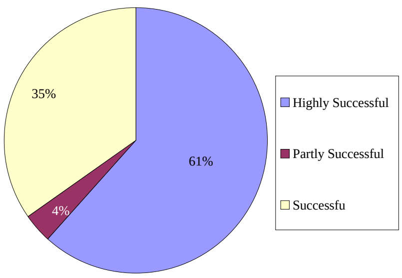
3.2 TC operations

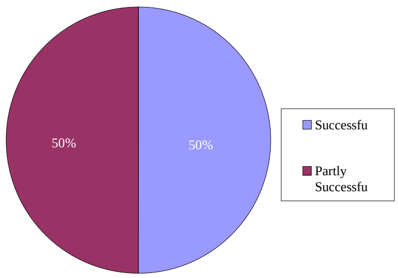
At the EBRD, technical cooperation (TC) operations are predominantly used to facilitate investments, that is, the use of TCs as free-standing interventions is very limited. Notwithstanding, the latter would apply to the largest portion of the portfolio and is demarcated as “N/A” in Table 1; its effectiveness is further analysed in Section 3.4 while the portfolio attributable investments are assessed in Section 3.3. Therefore, this section focuses on the TCs and heavily relies on the TC self-evaluation process, a mandatory process element for TCs in the Bank.[18]

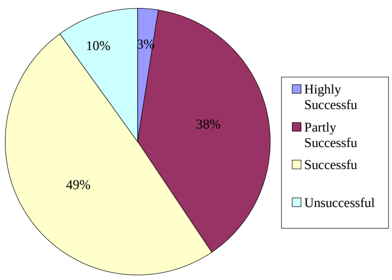
Out of the total cohort of 72 FA activities (100 per cent), TC Project Completion Reports (PCRs) were available for 26 activities (36 per cent). Thirteen commitments (18 per cent) are still ongoing, and a further five (7 per cent) have been decommitted, with the balance completed, but unevaluated as yet (39 per cent).[19] The self-evaluation results of the PCRs are summarised in Graph 5.

Graph 5: TC evaluation results

Graph 5a: Self-evaluated FAO agribusiness	Graph 5b: TC OPER ratings agribusiness	Graph 5c: TC OPER ratings all industries







[18] The said reliance on self-evaluations (rather than EvD independent evaluations) is determined by the fact that (i) each of the individual “call-off” TC activities is too small to justify independent fully fledged EvD evaluation assignments; (ii) EvD’s evaluation work mainly focuses on investments and TCs are covered only through a relatively small sample of individually larger volume activities (annually by about 4-6 TCs out of 200-400 completed TCs p.a.); and (iii) the systemic limitations posed by a consultant assignment, active during a relatively short period (several days), with limited client/host contact, and comprising mainly intellectual work resulting in a report. Hence, revisiting a TC, which ideally should include an evaluation field visit for the purpose of verifying TC findings, would be rather uneconomical and TC “corporate memory” with the erstwhile counterparts in the host country may likely be lost anyway.

[19] The unevaluated remainder being largely attributable to those not yet due or incompliant with standard Bank procedures for a host of reasons.

EvD has subsequently evaluated four of the sample, in each case concurring with the Operation team's self-evaluation ratings (two "Highly Successful" and two "Successful").

The considerably higher percentage of "Highly Successful" and almost negligible portion of less than "Successful" ratings in Graph 5a above – if compared to independent TC evaluations as reflected in Graphs 5b and 5c and also compared to related investment results as discussed in Section 3.3.2 – might be regarded as suggesting a self-congratulatory bias.[20] On the other hand, the beneficial involvement, commended elsewhere, of ICD's specialisation might well support a better TC performance than is generally seen. In the absence of a higher coverage of EvD self-evaluation validations, this Evaluation abstains from an overall FA-TC rating.

3.3 FA investment attribution

3.3.1 Leverage effect

Forty five investments representing about €629 million are attributed to 24 TCs (33 per cent by number) of the above-mentioned 72 FA activities (100 per cent) overall. In terms of total amounts the €1.7 FA funding represents only about 0.2 per cent of the total investment volume, albeit with considerable variance within the cohort of investments (between 0.02 per cent to 2.75 per cent).

In further support of the mutually beneficial EBRD/FAO arrangement noted in Section 1.2 and a particular case in point is the preparatory work undertaken by the FAO-ICD to assist in the obtaining of a major grant from the Global Environmental Fund (GEF). The grant was used for the Slovenian GEF/EBRD Environmental Credit Facility. FAO specialists undertook some initial preparatory studies and drafted the project brief, which was submitted to the GEF in 2002. If nothing else, the FAO work leveraged US$ 9.9 million provided by GEF and perhaps by extension facilitated the approval of the completed financing package provided by the Bank (€45 million).

The implied leverage effects permit us to conclude that the FA is highly effective in generating investment volumes for the Bank and also supports the earlier efficiency finding (Section 1.3). In light of this, the FA's leverage effectiveness is rated *Good*.

This becomes even more accentuated when bearing in mind:

(a) that a considerable number of FA funding activities are associated with policy dialogue initiatives or the EastAgri network facility (that is, not geared to directly generate EBRD investment volumes, but which may well do so for the benefit of other network members); and as such are not meant to directly generate investments for the Bank

(b) that TCs for which no Bank investment is attributable does not necessarily point to "lost" funding or investment opportunities; it could well be to the contrary, namely that it some evidence may have been found during the evaluation that prevented the Bank stepping into an unsuitable investment arena (a case in point being a 2007 "Review of the Fisheries Sector with Focus on Far Eastern Russia", which cost about €0.2 million).

[20] In this context it is noteworthy that the annual PCR assessment exercises carried out by EvD since 2003, on a cumulative basis, covering 20 PCRs p.a. and stretching over all operational sectors serviced by the Bank, leads to an average of 36 per cent downgradings, that is, where the EvD validation process arrives at less favourable overall TC ratings than the self-evaluation PCRs.

3.3.2 Evaluated investment results

While impacts and their sustainability at the FA level are not meaningfully measurable as noted in Section 1.4, it is however possible to obtain some indirect impact indications. These can be drawn from those investments that have reached completion stage and were subjected to either a self-evaluation process by the responsible Banking team and/or independent evaluations by EvD, in line with Bank procedures. In this regard Table 3 refers to pertinent expanded monitoring reports or XMRs (the Bank's self-evaluation instrument); XMR assessments (XMRAs) for XMRs that received EvD rating validations; and Operation Performance Evaluation Reviews or OPERs (the EvD's in-depth evaluation scrutiny).[21]

Table 2: Evaluation ratings for transition impact and investment overall

Investment	XMR		XMRA		OPER	
	TI	Overall	TI	Overall	TI	Overall
A	Good	Successful			Marginal	Partly successful
B	High	Successful			Satisfactory	Partly successful
C	High	Successful			Good	Partly successful
D	Good	Successful			Good	Successful
E	Satisfactory	Successful			Satisfactory	Successful
F	Excellent	Successful			Good	Successful
G	Good	Successful	XMR Review only/no validation of ratings			
H	Good	Highly successful	XMR Review only/no validation of ratings			
I	Excellent	Successful	XMR Review only/no validation of ratings			
J	Marginal	Partly Successful	Marginal	Unsuccessful		
K	Medium	Un-successful	Satisfactory	Unsuccessful		
L	Excellent	Highly successful	Satisfactory	Partly successful		
M	Excellent	Highly successful	Good	Successful		

Source: EvD

Bearing in mind that the two tables above only provide an extract of the Agribusiness team's overall portfolio, the above rating collation suggests that the Agribusiness team, from an EvD perspective, tends

[21] Addressing a concern raised by IDC, this report does not argue that the investment evaluation ratings in Table 2 reflect on the quality of FA-TCs. It is perfectly conceivable that a "good" preparatory TC leads to an ultimately less successful investment. ICD comments that "the FAO FA was not involved in designing the two investment projects that are rated unsuccessful (Minsk WM, Bucharest WM). The FAO intervened at a very late stage to try to make recommendations and minimise damages but did not design these projects. It is not fair to relate these failures to the FA. In general, FAO intervenes at a broader level (sector review, general identification, policy dialogue, etc) and it should be pointed that the relations between the FAO FA and investment results are difficult to establish, due to the nature of work. The "partly successful" rating seems to be arbitrary in the sense that it does not relate to the actual work done under the FA. A general impression is that it generally improves investment results by adding analysis pre-approval and helping post-approval through technical assistance and policy dialogue".

to over-rate its investments. Evaluation almost consistently arrives at ratings one notch lower than the self-evaluation process suggests. This is not unusual, but in line with EvD's Bank-wide observations and, to an extent, is an understandable and systemic bias embedded in self-evaluation processes.

Interestingly, none of the above Agribusiness team-rated investments gathered an "Unsuccessful" overall rating, a rating which EvD assigned under two XMRAs to two wholesale market undertakings. EvD, on the other hand, did not arrive at a rating any higher than "Partly successful" in this sub-sector. This could be seen as lending support to the Team's decision several years back to abandon the wholesale market sub-sector as a key target. In this context, it might be interesting to learn why other development/transition institutions have apparently refocused on this segment recently, as ICD informed the Evaluation team.

Comparing this Agribusiness portfolio extract with the Team's overall portfolio, as far as self or independent evaluations were carried out, the picture in Table 4 emerges. It presents a similar outcome, reiterating a positive self-evaluation bias.

Table 3: Evaluation ratings for transition impact and investment overall

	Ratings	Agribusiness			Extract (Table 2)		
		OPER	XMRA	XMR	OPER	XMRA	XMR
Overall	Highly successful		2	10			3
	Successful	18	20	38	3	1	8
	Partly successful	8	17	14	3	1	1
	Unsuccessful	7	5	8		2	1
	Unrated			7			
Transition Impact	Excellent	3	5	15			4
	Good	15	23	38	3	1	5
	Satisfactory	8	11	10	2	2	3
	Marginal	3	4	2	1	1	1
	Negative	1		1			
	Unsatisfactory	3	1	2			
	Unrated			7			

The picture presented in Table 3, and placed in some perspective by Table 4, is rather mixed in terms of independently (evaluation-validated) overall ratings, ranging from three "*Successful*" to four "*Partly Successful*" and two "*Unsuccessful*" ratings.

In terms of investment results a rating of *"Partly Successful"* is assigned.

3.4 Achievements by other core products

Section 3.1 points to the fact that FA achievements can't be assessed on a one-dimensional scale and leading to a single rating. For that reason some of the key deliverables are looked into separately.

3.4.1 EastAgri Network

Objectives: The EastAgri Network is a consultative group of international financial institutions, bilateral donors, local banks and private sector parties with a common interest in investing in the agribusiness/agriculture sector in (mostly EBRD eligible) transition countries. It was created at the initiative of the EBRD and FAO, in response to the EBRD's 2002 agribusiness operations policy (BDS02-023). The fourth objective of the policy emphasised the need for increased interactions with other development institutions.[22] More specifically, the policy notes in Section 4.2 under "Operational Objectives":

> "Organise, jointly with the FAO, a series of fora involving other IFIs operating in the sector and in the region, as well as private operators and professional organisations. Seminars may focus on specific sub-sectors or countries. They will aim among others at ensuring good co-operation among institutions operating in the sector and in the region."

The ultimate goal of EastAgri is rural and agricultural development in transition countries. To contribute to this, EastAgri's immediate objectives are (i) to share best practices and lessons learned among agricultural/agribusiness investors in the region; and (ii) to promote more coordinated IFI/donor interventions.

Operational strategy: Its activities mainly consist of:

- exchanging project, country, member and sector information
- coordinating agricultural policy messages
- providing capacity building (study tours, training, and so on)
- promoting public/private dialogue on agricultural/agribusiness matters.

And, its activities typically relate to:

- strengthened backward linkages between agribusinesses and local producers (food chain development)
- improving rural credit systems
- giving producers and food processors a voice to policy discussions.

[22] Key participating members include the EBRD, FAO, the World Bank, CEI, the EU, IFAD, and the OECD, as well as bilateral agencies and private banks. Membership is free. Institutions that want to be part of the network simply need to indicate their willingness to join. They are expected to share information.

3.4.2 EastAgri Instruments

Annual General Meetings (AGMs): EastAgri has a light structure and communicates with its members via its web site,[23] annual meetings (AGMs) and ad-hoc thematic and/or country-specific workshops.[24] The sixth AGM took place on 13-14 October in Istanbul and was attended by the author of this evaluation report in order to gain first-hand experience of this single most costly FA activity (Section 2.4). Supported by the results of structured interviews with participants, this Evaluator arrived at the conclusion that the AGM meeting is a very valuable tool that fully meets the above objectives, helping the Bank to reach out and inspire policy dialogue that could hardly be achieved through other means. Some highlights are presented in Box 1.

Box 1: Highlights of the 6th EastAgri AGM

The 2010 EastAgri Annual Meeting took place on 13-14 October 2010 in Istanbul, Turkey. Over 130 participants representing IFIs, governments, development agencies, think-tanks and private banks, all investing – financially or through technical inputs – in agriculture in the EBRD's countries of operations attended the event. Key participants included representatives from the EBRD, the World Bank, the European Commission, IFC, the OECD, FAO, IFAD, Rabobank and the EIB. The goal of the Annual Meeting was to achieve better coordination and share lessons learned among agricultural investors in the region.

The main theme of the Annual Meeting was the untapped agricultural potential of the EBRD's region of operation and how the latter could play a key role in improving world food security. Specific discussions revolved around investment opportunities in Turkey's agriculture sector, agriculture and rural development in the Western Balkans, the promotion of farm mechanisation in low- and middle-income countries of the region, climate change adaptation and mitigation measures in the agricultural sector and the prospects of land and agribusiness equity funds in the region.

The initial feedback from participants was positive (further details below) and resulted in immediate follow-up activities between EastAgri members. The EBRD, with the support of the FAO, held a workshop in London on 28 October with senior representatives from the largest global and local companies in the grains and oilseeds industry where recommendations were made to policy makers aimed at boosting investment in agriculture in eastern Europe and unleashing untapped potential. Following RT 4 discussions, a donor conference is scheduled to take place in April 2011(at the time of writing) to discuss an area-based approach to rural development in the Western Balkans. This activity will be jointly organised by the EC with the support of FAO, and all key EastAgri member institutions will

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[23] www.eastagri.org; one ICD communication officer maintaining the web site.
[24] Main achievements so far include:

- five annual meetings: two in Budapest, one in Rome, one in Berlin (in cooperation with GTZ), one in Paris (in cooperation with Crédit Agricole). Attendance has gradually increased from 40 to 100 participants
- 26 thematic and/or country-specific workshops
- six thematic study tours
- Web site created covering 30 countries, 28 sub-sectors, and including a password-controlled database of 1,000 projects
- network members' news dispatched on weekly basis
- thematic and country publications posted and disseminated
- online password-controlled agribusiness companies database developed to provide information on leading agribusiness companies in the Western Balkan and Early Transition countries (the database covers the five top companies of 10 selected sub-sectors).

participate. Pursuant to the RT 3 discussions, a workshop could take place in collaboration with the World Bank and the Ministry of Agriculture of Croatia on the impact of climate change in the region.

In order to assess the relevance and effectiveness of the AGM instrument, this evaluation included a brief survey among 15 participants based on structured interviews.[25] The distribution of the interviewees' business affiliation is presented in Table 5.

Table 4: Survey feedback

Nature of institution	Response number	%
IFI	5	33
Commercial Bank	1	7
EU	2	13
OECD	1	7
University	3	20
Government	1	7
Consultant	2	13
TOTAL	15	100

Eight questionnaires were returned from conference participants, and more general feedback received from a further seven participants. Based on just this sample, attendance was broadly split across a number of different types of institution, with a strong representation by IFIs.

Seven of the eight questionnaire respondents had been to previous conferences, with an average of three attendances each. Six respondents had visited the web site, an average of 1-2 times a month (see next instrument discussion). The feedback was universally positive, with the following being cited as the main general benefits of the conference:

- forum for exchange of information and ideas
- news updates
- opportunity to cooperate and collaborate
- opportunity to raise visibility of participants

In order to enhance the AGM 2010 outreach, a promotional video of AGM proceedings is planned, and the identification of partnerships with existing agribusiness events in the region in order to solicit synergies and leverage potential.

Web site: The survey and direct interviews confirmed this instrument's usefulness and its appreciation by the respondents. The web provides information on:

- projects database: over 1,000 agricultural/agribusiness projects supported by various members

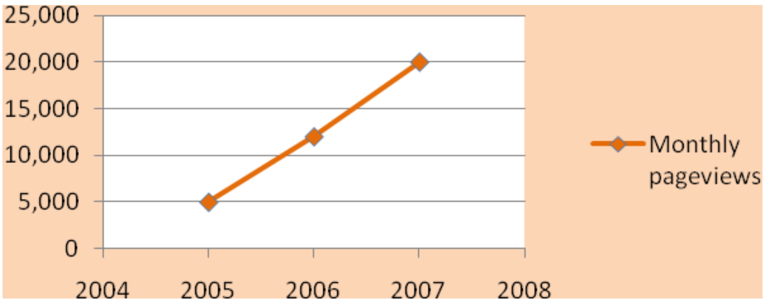
[25] The template for the survey questionnaire (prepared in English only) is included as Appendix 3. The survey results do not claim to be representative, even with taking into account that the majority of participants of the EastAgri AGM in Istanbul presumably were of Turkish nationality and thus could possibly not be expected to respond to a questionnaire as desirable (much of the AGM discussions required simultaneous English/Turkish translations). However, this evaluation trusts that they reflect a fair expression of general mood.

- information on 30 agricultural/agribusiness sectors
- 30 agricultural country profiles
- weekly news releases
- information on workshops, meetings and study tour data
- publications (see also next sub-section).

Particular attention is deserved by the agribusiness company database, which provides information on the top five companies in 10 different sub-sectors in 13 countries in the Early Transition Countries (ETCs) and the Western Balkans. The value of this information, which was cumbersome to compile and cost a considerable amount, was confirmed by several parties interviewed at the EastAgri AGM. The continued value of this information base, its relevance as it were, depends, however, on its continued monitoring and updating. The appropriate maintenance of this asset is relatively resource-intensive and has fixed-cost character, which – together with the AGM and web site instruments – may warrant a different funding structure (rather than FA-funded).

ICD could demonstrate that the site usage has increased steadily since its creation. From 2005 to 2007, measured by Urchin 5 software,[26] the number of monthly page-views increased as follows:

Graph 6: Monthly page-views (2005-07)



Source: ICD

From 2008 on, web hits have been measured with Google analytics, which filters "bot" traffic and is therefore considered more accurate. Traffic has continued to increase, as shown in Graph 7.[27]

Moreover, by the end of 2010 the launch of the Russian version of the web site is envisioned, which is expected to reach out to a broader audience, particularly in the Russian Federation and CIS countries. It is further envisioned:

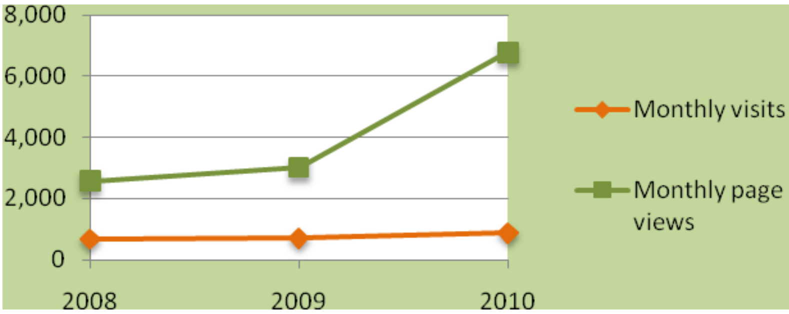
- to make proposals for the maintenance and extension of the agribusiness company database; the importance of this was highlighted during the evaluation mission in view of the relatively high cost of establishing this database, the appreciation of this information by AGM participants, and the depreciation of its value over time, if not attended to

[26] This refers to a web site analysis software (www.actualmetrics.com/products/urchin-5-software/?utm_source=google&utm_medium=cpc&utm_term=urchin%205&utm_campaign=urchin&gclid=CNfNI7r1_KMCFRZf4wodwz0IIg
[27] For precision, 2008 refers to the 14.10.08-31.12.08 period, while 2010 refers to the 01.01.10-15.07.0 period.

– to launch a newsletter, as suggested by members

– to continue upgrading sector pages and launching thematic email lists.

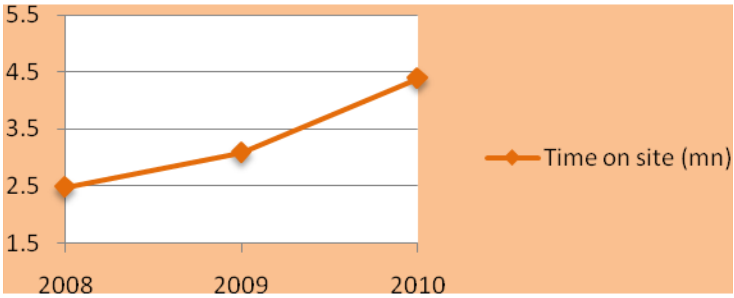
Graph 7: Monthly page-views and web visits (2008-10)



Source: ICD

The average time spent on the site is high. It has been on the rise and averaged 4.39 minutes per hit in 2010. In parallel, the number of "returning" users has also increased to reach 43 per cent in 2010.

Graph 8: Average time on site



Source: ICD

According to Google Analytics, the most successful areas of the web site include the homepage (where news is displayed) and the project database, followed by the sectors area, the countries, and the publications and agribusiness database areas.

Publications, study tours, and workshops: Quite a large number of useful publications have been produced. The 10 or so agribusiness handbooks on a wide array of sub-sectors proved particularly valuable, and included Grain/Wheat/Flour; Milk and Dairy Products; Processed Fruits and Vegetables.[28]

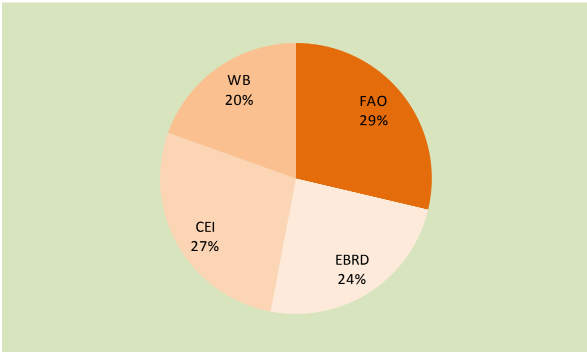
As with publications, achievements going beyond purely quantitative measures (for example, number of publications, prints per publication, numbers distributed) are difficult to assess for study tours and workshops organised. Therefore, it is hardly determinable whether these tools helped to generate any follow-on projects or other value.

3.4.3 EastAgri cost and funding

[28] For further details see www.eastagri.org/publications/index.asp

Since its creation in 2003, the network has cost a total of €441,000, of which €326,500 (or 74 per cent) was FA-funded through four call-off notes.[29] The remainder (€114,500 or 26 per cent) was funded under the FAO/World Bank cooperative programme, which is co-financed by FAO (25 per cent) and the World Bank (75 per cent).[30] The overall sources of funding for EastAgri are shown in Graph 9.

Graph 9: Funding of EastAgri



Source: ICD

3.4.4 Summary assessment on the EastAgri Initiative as a whole

This evaluation concludes that the explicit and implicit expectations have fully been met. According to EvD's rating scale, a rating of "*Good*" to "*Excellent*" is assigned. A certain weakness of this initiative is its inherent insecurity of funding, in turn depending on bilateral/EBSF FA funding commitments (see Section 2.1). Therefore, ICD's suggested proposal to key members for a medium-term funding scheme of the network is strongly supported by this evaluation.[31]

3.5 Conclusion on the FA overall effectiveness

Three aspects draw particular attention: the TC self-evaluation results, the FA investment leverage effect and related independent evaluation findings, and the EastAgri Initiative and associated achievements. On balance, a rating of "*Good*" is assigned to the combined achievement of objectives.

4. Bank handling

The organisational arrangements pertaining to the FA were more generally described in Section 1.3. This evaluation arrived at the view that these arrangement, in fact, work very smoothly, thanks to good cooperation and collaboration between the Agribusiness team at the EBRD and the ICD at FAO. This was very well demonstrated at the 2010 EastAgri AGM.

[29] The four call-offs comprised: €35,000 (FAO 30 per cent – EBRD 70 per cent); €98,100 (FAO 30 per cent – CEI 70 per cent); €75,200 (FAO 30 per cent – CEI 70 per cent); and €118,200 (FAO 30 per cent – EBSF 70 per cent).

[30] Hence, the earlier noted FA split (EBRD: 70 per cent and FAO: 30 per cent) is slightly more favourable than the FAO/WB cooperative programme.

[31] Reference is made to similar observations in the context of the evaluations of the Bank's TurnAround Management (TAM) and Business Advisory Services (BAS) programmes calling for Bank budget financing of the programmes' infrastructure and by that to secure sustainability and stability of institutional infrastructures.

Moreover, the Agribusiness team and the Official Co-financing Unit (OCU), as well as the ICD of FAO, were very responsive in supporting this evaluation exercise. The initial hurdle of fragmented Framework data and information in the Bank was effectively addressed by the responsible units.

In the light of this, a rating of "*Good*" is assigned.

5. Overall assessment

With reference to Appendix 2, this evaluation arrives at an overall "*Successful*" rating for the EBRD–FAO Framework Agreement (FA).

The relevance of the FA is fully confirmed and reflects the Bank's design and functioning additionality as *fully verified*. The composite rating for the aspect of achievement of objectives is "*Good*"; it reflects certain weaknesses at the level of investment overall ratings – as independently assessed by EvD – which, however, is regarded as more than compensated by a very positive assessment of the EastAgri Initiative. The efficiency aspect, with bank handling performance as a core consideration, is also rated "*Good*".

6. Key issues, lessons and recommendations

6.1 FA activities cover a wide range of agricultural sub-sectors

The total volume of FA resource consumption (US$ 6.1 million, Chapter 2) appears impressive at first glance. But, considering its spread over the Bank's many countries of operations, an envisaged timeframe of more than a decade, and its application across a very wide spectrum of agricultural segments (as the SIC in Table 1 reveals), the dispersal of funds and TC activities proves relatively thinly spread. In turn, it gives rise to the question of whether more focus and concentration is warranted or is the FA's current character as a general fund preferable. This becomes even more accentuated when taking out the portion allocated to the EastAgri Initiative (Table 1), leaving only some 60 per cent for actual TC appropriation.

From the TC distribution it is hard to discern any clear pattern that would reveal an underlying strategy or policy dialogue direction. It is therefore also difficult to correlate fund utilisation to the respective sector policy or to specific country strategies. Therefore, the Evaluation arrived at the view that more focus and concentration on forming visions for the future and promoting policy dialogue should be strived for, which would inform both the agribusiness sections in country strategies and the agribusiness sector policy. Equally, this would enhance the cooperation basis with other development institutions.[32]

Looking deeper into the administrative dynamics and the genesis of several TCs, one gains the impression that, contrary to what one might expect from the EBRD–FAO 70 per cent/30 per cent cost-sharing arrangement, the actual driver of initiatives often appears to be the FAO. The strategic and operational "sector views" of both organisations, however, may vary. This is not to blame the ICD for using

[32] In a similar vein, EvD's Special Study on "Agribusiness Operations" of June 2008 (SGS08-149) makes a number of recommendations in this respect with which this Evaluation agrees, in particular: need for strengthening of TC institutional capacity in the Agribusiness team, and for enhancing of collaboration with other providers.

the majority of EBRD-sourced financing for its own institutional benefit. Rather, it is the Agribusiness team's lack of TC capacity that seems to prevent it from taking the driver's seat.

Given the intensity of TC funding use by the Agribusiness team (that is, the FA and beyond), there would seem to be a compelling justification for a full-time headcount position dedicated to TCs and with the commensurate background.[33] Addressing this deficiency may also help to improve data systems and the self-evaluation deficiencies highlighted below.

Lessons learned

The focus and strategic orientation of FA utilisation needs strengthening, which, in turn, requires adequate staff provisioning. The TC utilisation pattern under the FA lacks EBRD policy and strategy effectiveness.

6.2 Information databases are valuable assets whose value soon depreciates if not maintained

It took considerable effort and involved sizable resources to establish an agribusiness company database of market leaders of different sub-sectors and in different countries. This database, similar to others developed by EastAgri, is well used by conference participants and also provides first points of contact for the Agribusiness team when venturing into new investment territories.

However, valuable as this information base is, its value depreciates rapidly if it is not monitored and maintained, given the nature of company information in an ever changing environment. Repeat financing and continuous staff resource allocations are therefore required, but are difficult to sustain under ad hoc financing arrangements.

The Evaluation team could not ascertain whether appropriate attention and care is devoted to information database assets by the EastAgri core members. Notwithstanding the related, more far-reaching recommendation made below, the Agribusiness team would need to ensure appropriate maintenance arrangements.

Lessons learned

The Agribusiness team and ICD need to establish a mechanism by which EastAgri's most valuable information databases are protected from losing relevance over time. In the same way that the vital physical assets of a company require constant monitoring and routine maintenance, valuable information databases of service providers – such as EastAgri's agribusiness company database – require a similar type of attention and care.

[33] ICD differentiates its role and comments that "The impression that the driver of initiatives is FAO should be corrected. The overall planning of TC assignments is weak but ALL TC assignment ideas come from the EBRD. What can be said is that, once the concept/idea of a TC assignment is agreed between FAO and the EBRD, FAO often drives the writing-up of terms of references but FAO has not imposed any assignment to the FA. Having said that, the recommendation remains valid: it would be very useful to have someone in charge of TC in the Agribusiness team to give a more programmatic and strategic dimension to the FA, and strengthen the team's capacity to develop good terms of references, in cooperation with the FAO." Indeed, it might be debatable where project ideas originally come from, but based on the EBRD's internal discussions, this Evaluation gained the impression that the FAO often takes the initiative.

6.3 The EastAgri instrument emerged as an entity in its own right

This evaluation concludes that the EastAgri facility, funded under and being only peripherally linked to the FA, has established a value in its own right that goes beyond FA activities and also benefits other cooperation partners. Since it has developed into an institutional entity with longer term funding requirements, an argument is made for its own funding resources that should not rely on sufficient ad hoc external funding. With the EBRD, FAO and the WB as core beneficiaries and contributors, this instrument appears well positioned to coordinate and facilitate joint work, and by that, to allow synergy effects to materialise. Since much of the workload is already shouldered by the ICD, and given the breadth and depth of the FAO's sector expertise, the FAO proposes itself as the natural host of this body. The FA, however, should clearly remain as what it was primarily set up to be: an EBRD–FAO funding structure to support the EBRD's agribusiness due diligence processes.

Recommendation

The EastAgri instrument has graduated into an entity in its own rights and should receive more institutional status and security. While ad hoc funding is justifiable for a typical TC programme, EastAgri would need a more stable funding base to allow for its assets and infrastructure (for example, web site, databases, literature, secretariat) to be appropriately supported and for it to provide a sustainable framework.

6.4 Fragmentation of data in related information bases and data quality/consistency poses difficulties for monitoring and evaluation

A case in point was the initial information requirement on the evaluation subject. Most of the data, including TC COM submissions, funding details, consultant reports, consultant terms of references and contract details, TC-linked investment operations and others are all kept under different IT sub-systems in the Bank, which are not sufficiently inter-linked to allow eligible staff to easily gain a consolidated picture. Thanks to the commendable responsiveness of the Agribusiness team, OCU and FAO-ICD this hurdle could be overcome, but involved considerable resource mobilisation and time. Compartmentalisation of data-ownership, while an efficient and effective arrangement for segmented monitoring processes, is often detrimental to obtaining a view of the "bigger picture" within a reasonable timeframe, unless extra efforts are made, which in turn requires the necessary motivation. As said, it ultimately didn't pose a problem for this Evaluation, but this raises a more generic concern since this type of fragmentation and lack of IT inter-linkages is an observation that has long been made by EvD. This deficiency particularly applies to inter-relations between TC and investment data, and TC processing data and consultant reports. The above, as well as the following, cover generic issues within the Bank and are raised here since they have been observed in this instance as well.

A related area of concern is data quality and the consistency of data use across IT-supported sub-systems. For illustration, even within the same document – let's say a consultant's terms of reference, a TC Com submission or a consultant report – the same TC will occasionally be referred to by different titles. Or, TCs are associated with different investments, or conversely, a given investment attributes credit to different TCs. Or, finally, different Bank units refer to the same TC or investment under different titles. Such differences often appear minor, of no material consequence, and handling them may not pose a major difficulty to "insiders" (for example, the operation leader of an investment or TC), but they do in the (not infrequent) case of changes to operation leadership or to those staff who wish to aggregate and analyse data. This is obviously not an IT issue as such, since the responsibility for data quality and consistency lies with the unit, the staff in charge of input, and their supervisors.

Lessons learned

Additional efforts need to be made towards an integrated IT information system. Data ownership is compartmentalised with insufficient IT inter-linkages, particularly between TC and investment operation data systems, but also within the TC domain, linking TC processing data with TC outputs. Stated deficiencies have long been highlighted by EvD and, in spite of noticeable improvements over time, are persistent. Banking management, in cooperation with the IT department, OCU and CSU, might consider a fresh effort in this respect, notwithstanding the Agribusiness team as regards its portfolio.

Data quality and consistency of data usage needs to be improved. More generally, quality assurance needs to be improved. Data referring to the same subject need to be identical and consistently used also when processed and managed under different systems. The prime responsibility for project data is vested in the Operation Leader, but complementary, compliance with this obligation must be independently monitored by the unit head or his/her delegate. More effort and rigour in this respect is required and Banking management might consider raising the issue with department heads, notwithstanding the Agribusiness team as regards its portfolio.

6.4 The self-evaluation success ratings call for further analysis

In the absence of sufficient EvD validation, the comparatively high percentage of "Highly Successful" TC self-evaluation ratings provides either a basis to learn from for Bank-wide benefit or calls for more rigorous self-evaluation. Either way, PCRs for FA activities and the underlying evaluation processes warrant more systemic independent assessments.

It is quite usual to request that TC funds should provision commensurate resources for their own independent evaluation. However, given that the FA relies on ad hoc funding from external sources, it is difficult to set aside dedicated resources for independent evaluation purposes. The FA's more recent increased reliance on the EBSF (Graph 1) would suggest the option of integrating such FA evaluation work under the umbrella of related EBSF arrangements, which recommend a statutory external evaluation every three to five years.[34] The FAO could contribute according to the agreed 70:30 cost-share formula. Moreover, it might be regarded beneficial in this context to organise this portion of the EBSF evaluation as a joint evaluation exercise by involving the FAO evaluation unit.

Recommendation

Regular independent evaluation of the FA needs to become instituted and possibly combined with the statutory EBSF evaluations. Currently, the coverage of individual FA activities in the Bank's independent evaluation portfolio is too low. On the other hand, EvD takes the view that programme-type TC schemes, such as the FA, should be regularly subjected (about every three to five years) to independent evaluation scrutiny. Given the relative sizeable share of EBSF support to the FA, Bank management could consider merging the FA and EBSF evaluation requirements.

[34] Reference is made to the most recent "Special Study – Shareholders Special Fund (Regional)" (CS/AU/10-47). The next EBSF evaluation is scheduled for 2013.

Annex 1: Operation Performance Ratings

Performance indicator	Rating
Overall transition impact	N/A
Environmental performance of the project and sponsor	N/A
Extent of environmental change	N/A
Additionality	■■■■ Fully verified
Project financial performance	N/A
Company financial performance	N/A
Fulfilment of project objectives	●●●●●○ Good
Bank handling	●●●●●○ Good
Bank's investment performance	N/A
Overall performance	♦♦♦◊ Successful

General
●●●●●● Excellent
●●●●●○ Good
●●●●○○ Satisfactory
●●●○○○ Marginal
●●○○○○ Unsatisfactory
●○○○○○ Highly Unsatisfactory

Overall performance
♦♦♦♦ Highly Successful
♦♦♦◊ Successful
♦♦◊◊ Partly Successful
♦◊◊◊ Unsuccessful

Extent of Environmental Change
✱✱✱✱ Outstanding
✱✱✱✳ Substantial
✱✱✳✳ Some
✱✳✳✳ None/Negative

Additionality
■■■■ Fully verified
■■■□ Largely verified
■■□□ Partly verified
■□□□ Not verified

Annex 2: Survey

EastAgri Meeting 2010 Questionnaire

(Wolfgang Gruber, Senior Evaluation Manager, Evaluation Department, EBRD)

ISSUE	Remarks by interviewee	Notes by interviewer
Name and designation:		
Organisation and office you are representing?		
Times attending EastAgri AGM (including this one)?		
More generally, which are the benefits drawn from EastAgri?		
More specifically, which of your own (project) activities are attributable to EastAgri link?		
How often (average) are you visiting EastAgri's web page per month?		
Type of information drawn from this?		
Are you/your organisation contributing to EastAgri (apart from meeting visits) • Content-wise? • Financially? • Other?		
What would you suggest that should be changed?		
Other remarks?		
➔ Please leave filled-in questionnaire at organiser's desk Thank you for your help		

Annex 3: EastAgri meeting 2010 questionnaire

(Wolfgang Gruber, Senior Evaluation Manager, Evaluation Department, EBRD)

ISSUE	Remarks by interviewee	Notes by interviewer
Name and designation:		
Organisation and office you are representing?		
Times attending EastAgri AGM (including this one)?		
More generally, which are the benefits drawn from EastAgri?		
More specifically, which of your own (project) activities are attributable to EastAgri link?		
How often (average) are you visiting EastAgri's web page per month?		
Type of information drawn from this?		
Are you/your organisation contributing to EastAgri (apart from meeting visits) • Content-wise? • Financially? • Other?		
What would you suggest that should be changed?		
Other remarks?		
➔ Please leave filled-in questionnaire at organiser's desk Thank you for your help		