



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Seventy-Ninth Session**  
Rome, 10-11 September 2003

**STATUS REPORT ON THE PROGRESS OF THE  
INDEPENDENT EXTERNAL EVALUATION (IEE) OF IFAD**

**SUBMITTED BY THE  
DIRECTOR OF THE OFFICE OF EVALUATION**





## I. BACKGROUND

1. At its Seventy-Eighth Session in April 2003, the Executive Board adopted the Report of the Chairman of the Evaluation Committee on the Independent External Evaluation of IFAD (EB 2003/78/R.45). The Board endorsed the organizational arrangements, governance structure and other provisions contained in the report. Based on the decision of the Executive Board, the Director of the Office of Evaluation (OE) should provide a status report on the progress at each Executive Board meeting while the independent external evaluation (IEE) is underway. This is the first such report.

## II. PREPARATION OF THE TERMS OF REFERENCE

2. The first draft of the terms of reference (TOR) was prepared by a consultant selected by the Evaluation Committee in December 2002. The Committee held three informal sessions and met with the List Convenors and others to discuss this draft. However, it was felt that the TOR still needed further improvement in various areas. Based on the recommendations contained in the report of the Chairman of the Evaluation Committee, the Executive Board requested the OE Director to prepare detailed TOR for the IEE. These would have to be endorsed by the Steering Committee established to advise the OE Director during the IEE process.

3. In response to the Board's decision, OE prepared the first draft of the revised TOR in mid-May in order to have it reviewed and endorsed by the Steering Committee. It then prepared the final detailed TOR, which the Steering Committee endorsed in a meeting held on 15 July 2003.

4. According to the TOR, the main objective of the IEE is to determine IFAD's contribution to rural poverty reduction, the results and impact it has achieved in this area, and the relevance of the organization's mission and objectives in relation to international development goals and the national development strategies of borrowing countries. Concretely, the IEE will focus on the assessment of the sustainable impact and effectiveness of IFAD's development initiatives, including IFAD-supported projects, policy dialogue, advocacy work, corporate policies and strategies. The evaluation is expected to assess further whether and what IFAD has learned from past experience and how the Fund's policies and operations have evolved in response to lessons learned from that experience.

5. The revised TOR clearly sets out the process for output delivery in five sequential steps, each enabling the elaboration of the next step. The five deliverables are:

- inception report;
- desk review;
- verification of findings at the field level;
- draft final report, to be prepared following completion of field visits; and
- final report, to be prepared following Executive Board discussions and comments on the draft final report.

6. The service provider will submit all five deliverables to the OE Director, who will share them with the Executive Board, the Steering Committee and IFAD management. Comments will be provided as follows:

- The Steering Committee may comment on any aspect of all deliverables that helps to ensure that the Evaluation Team conducts its work in accordance with the TOR.



- On the first three deliverables, IFAD management will provide comments that relate exclusively to factual matters.
- IFAD management will provide comments on both factual matters and matters of judgement upon receipt of the fourth deliverable (the draft final report). Upon receipt of the fifth deliverable (the final report), it will, in addition, provide a management response to the Executive Board.
- The Executive Board will receive, discuss and comment on the draft final report.

7. The IEE will be conducted under the overall supervision of the OE Director on behalf of and accountable to the Executive Board. The OE Director will serve as the primary counterpart to the service provider to ensure that the IEE team conducts its work in accordance with its TOR and to facilitate its work. The OE Director will not be responsible, however, for the findings, recommendations and other content of IEE reports. In discharge of his IEE-related duties, the OE Director will be supported by two senior independent advisors of international standing who will interact with the service provider at key stages of the evaluation process.

### III. EARLY MEASURES

8. The establishment of the Steering Committee was considerably delayed due to reasons beyond the control of IFAD and OE. In the absence of a fully constituted steering committee that could endorse the final TOR, the procurement process for the identification and selection of a service provider was also delayed. This raised a serious question about the completion of the IEE in time for the beginning of the Seventh Replenishment, as requested during the last session of the Consultation on the Sixth Replenishment of IFAD's Resources and the ensuing meeting of the Executive Board.

9. In a meeting with List Convenors and others on 17 June 2003, it was therefore agreed that the first step in the procurement process, namely the solicitation of expressions of interest (EOIs), should be initiated immediately based on the draft TOR. The letter of invitation specifically stated that the TOR were still in draft form awaiting Steering Committee review and endorsement. In accordance with the procurement schedule prepared by OE in consultation with the Office of Administrative Services (FA) (which is responsible for procurement matters), the General Counsel (OL) and the Office of Internal Audit (OA), invitations to solicit the EOIs were dispatched on 18 June (see also paragraph 20) with 10 July 2003 as the deadline for responses.

10. As indicated above, the Board at its April 2003 Session gave the OE Director the option of engaging advisors who would assist with the task of supervising the IEE. In view of the role assigned to the OE Director for supervising the IEE process, OE has decided to use this option (as reflected in the TOR endorsed by the Steering Committee on 15 July 2003) and has engaged the services of two senior independent advisors to assist the Director in this task: Robert Picciotto, former Director-General of the Operations Evaluation Department of the World Bank; and M. S. Swaminathan, Chairman of the Swaminathan Foundation. In addition, OE recruited short-term consultants to assist in the preparation of the revised TOR and in the preparatory work of IEE, including the process of procurement through open international competitive bidding.



#### IV. THE STEERING COMMITTEE

11. On 24 June 2003, the Steering Committee was fully constituted with the following composition:

Maureen Grewe (United States)  
Ahmed Hachemi (Algeria)  
Gabriel Lombin (Nigeria)  
Esther Lonstrup (Denmark)  
Francoise Mailhot (Canada), Chairperson  
Stefan Molund (Sweden)  
Govindan Nair (India)  
Baastian Philip Reydon (Brazil)  
Modibo Mohamane Toure (Mali)

12. Following distribution of the draft TOR to all Steering Committee members, OE received extensive comments from members (and observers). These comments were consolidated and made available to all members prior to the first meeting of the Steering Committee.

13. A familiarization meeting was also arranged for Steering Committee members who had not been present at the debates on the IEE on 14 July prior to the full meeting of the Steering Committee proper. During this meeting, participants were briefed on IFAD's mandate and operation, its evaluation policy and the decisions of the IFAD governing bodies in relation to the IEE.

14. The first meeting of the Steering Committee was held on 15 July for a full day, and Françoise Mailhot from Canada was elected as the Chairperson. The meeting reviewed the TOR of the IEE extensively, as well as the involvement of the Steering Committee in the IEE process. OE also provided documents on the procurement process including the list of 16 respondents to the letter soliciting an EOI. In addition, OE sought the Committee's advice on the draft technical evaluation criteria to be used for evaluating the subsequent proposals after having shortlisted the service providers. During this meeting, the amended TOR were endorsed, thus enabling the next steps in procurement to be undertaken as planned.

#### V. THE PROCUREMENT PROCESS

##### A. Organization of Work and the Rules of IFAD

15. The procurement process of the IEE is governed by the provisions contained in the Report of the Chairman of the Evaluation Committee and IFAD's procurement guidelines. The former envisioned that the IEE team would be recruited as a unit through an open and competitive international bidding process conducted either through a professional recruiting firm or directly by the OE Director. OE decided to manage the procurement directly by relying on the resources and expertise of various IFAD units supported by short-term consultants. This approach resulted in considerable savings to IFAD because of the high costs charged by professional recruiting firms compared with the cost of engaging short-term consultants. Moreover, it minimized the communication risks associated with procurement through a professional recruiting firm not familiar with the complex context of the IEE.



16. OE held several meetings with all concerned divisions/units of IFAD. This led to the establishment of a common understanding of the necessary steps and a division of responsibility based on the functional responsibility of each division/unit as follows:

- OE is responsible for technical review of the EOIs, the technical proposals prepared by shortlisted service providers and the final presentation by the top three service providers;
- FA and OL are responsible for the commercial and legal aspects respectively in the procurement process, including negotiations and award of contract;
- OA will act as the custodian of the technical and financial proposals and their forwarding to the respective units for review;
- The contracts review committee (CRC), chaired by the Assistant President of the Finance and Administration Department, will approve the award, in line with IFAD's procurement guidelines.

17. In addition to the functional responsibilities outlined above, OE sought and benefited from the advice of these units at crucial stages in the procurement process.

18. According to IFAD procurement guidelines, a public solicitation for bids is mandatory for the procurement of goods and services exceeding EUR 500 000. The Chief of FA is then to issue a written request to embassies in Rome or IFAD Member States to identify potential suppliers in their own countries. In addition, the rules also provide for the identification of as many potential suppliers as practical – but no fewer than ten – by contacting other international organizations. The rules do not foresee advertising in the international press, because the selection of newspapers and magazines would have to be very broad, in terms of both language and geographic distribution, to attract service providers from all of IFAD's Member States.

## **B. The Process**

19. The procurement process for IEE consists of the following major steps:

- preparation of detailed TOR;
- solicitation of the EOIs;
- shortlisting;
- requests for proposals (RFPs);
- ranking;
- invitation of the ranked service providers for presentation/interview;
- selection; and
- negotiation and award of contract.

20. In accordance with the IEE procurement schedule, invitations to solicit the EOIs were issued on 18 June to all embassies of IFAD Member States and to 15 potential service providers identified by IFAD. All invitations were dispatched both in hard copy and electronically to expedite onward transmission by embassies to their respective countries.

21. To attract the best available evaluation teams, the letter of invitation specified that the EOI was open to consulting firms, research and academic institutions, non-governmental organizations, and any consortia that these entities might wish to establish. The criteria against which the responses would be reviewed were also clearly specified.



22. FA received a total of 16 EOIs in response to its solicitation. A panel consisting of representatives from OE and FA carried out shortlisting. Four people represented OE in this exercise – one OE staff member and three consultants – and they were responsible for the technical review of the EOIs in accordance with the requirements specified in the letter soliciting the EOIs. The technical review included a quantitative evaluation of the EOIs, based on a common understanding of the criteria and their application among the reviewers. FA was responsible for the commercial and financial review of the EOIs.

23. The technical review process was conceived in such a way that each reviewer carried out independent reviews of all respondents without any communication/consultation with the other reviewers. The final individual scores were then communicated to the OE Director for aggregation. The OE Director carried out random checks of the responses to verify that the review team had adhered to the established criteria and guidelines. The top six potential service providers were shortlisted for the next step of the process. These were the following:

- Centre for International Environment and Development Studies at the Agricultural University of Norway (Noragric), Norway; in collaboration with ECON Analysis, Norway;
- the German Technical Cooperation (GTZ) International Services, Germany; in collaboration with Intercooperation (Swiss Organization for Development and Cooperation), Switzerland;
- Information, Training and Development Ltd, United Kingdom;
- Institute of Development Studies, United Kingdom;
- Overseas Development Institute, United Kingdom; in collaboration with the International Institute for Environment and Development, United Kingdom; the Overseas Development Group at the University of East Anglia, United Kingdom; and the ETC Foundation, The Netherlands, in association with the local offices of the ETC International Group, and
- Oxford Policy Management, United Kingdom.

24. Soon after completion of the shortlisting, the above six service providers were informed of the outcome by email to allow them sufficient time to prepare before receiving the RFP. At the same time, all organizations not shortlisted were also duly informed.

25. OE has elaborated detailed criteria for evaluating the technical proposals from shortlisted service providers. These criteria have been shared with members of the Steering Committee and with List Conveners, both of whom have provided OE with comments and suggestions. Together with the standard IFAD format for RFPs, the final technical evaluation criteria are an important part of the complete RFP package prepared for the shortlisted service providers. As per IEE procurement schedule, RFPs were dispatched to the shortlisted service providers by facsimile and courier on 1 August 2003. The deadline for the receipt of proposals in sealed envelopes was set at 16.00 hours (Central European time) on 8 September 2003 at the Office of the Internal Auditor of IFAD.

**VI. NEXT STEPS**

26. The next steps in the procurement will involve the following activities and timing:

<b>Sequence</b>	<b>Activity</b>	<b>Schedule</b>
1	Technical and commercial review of proposals and selection of the top three ranked service providers	8-23.09.03
2	Extension of invitation to the top three ranked service providers to make presentations at IFAD	25.09.03
3	Presentation by the top three ranked service providers	6-10.10.03
4	Preparation of a report on the procurement process, ranking and recommendation of OE Director to the CRC, chaired by the Assistant President of IFAD, FAD	13.10.03
5	Approval of the selection of a service provider by CRC	17.10.03
6	Communication of the required documents and the results to members of the Steering Committee	17.10.03
7	Endorsement of the selection process by the Steering Committee	20.10.03
8	Negotiations with and award of the contract to service provider	22.10-10.11.03
9	Deployment of consultants	24.11.03

27. OE has finalized the budget of IEE for the amount of USD 1 702 030 as a one-time below-the-line cost in the 2003 IFAD budget, to be presented to the current Executive Board Session for approval. The budget is prepared on the basis of the TOR endorsed by the Steering Committee and the decisions of the Executive Board at its Seventy-Eighth Session in April 2003.



