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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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TERMS OF REFERENCE AND RULES OF PROCEDURE

OF THE

EVALUATION COMMITTEE OF THE EXECUTIVE BOARD

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ABBREVIATIONS AND ACRONYMS

ACP	Agreement at Completion Point
AsDB	Asian Development Bank
ARRI	Annual Report on the Results and Impact of IFAD Operations
CODE	Committee on Development Effectiveness of the World Bank
DEC	Development Effectiveness Committee of the AsDB
IDB	Inter-American Development Bank
IFIs	International financial institutions
OE	Office of Evaluation
PEC	Policy and Evaluation Committee (IDB)
PMD	Programme Management Department
POWB	Programme of Work and Budget
ROP	Rules of Procedure
TOR	Terms of Reference

I. INTRODUCTION AND BACKGROUND

1.   **Introduction.** In April 2003, the Executive Board approved the IFAD Evaluation Policy.[1] The evaluation policy was prepared in response to a decision made by the Consultation on the Sixth Replenishment of IFAD's Resources for IFAD to establish the Office of Evaluation (OE) as an independent evaluation office, reporting directly to the Executive Board.

2.   The adoption and implementation of the evaluation policy created the need for a review of the role and functioning of the Evaluation Committee, including its interaction with the Executive Board and OE. In fact, at its Seventy-Eighth Session in April 2003, the Board "agreed on the need to revise the rules of procedure and terms of reference of the Evaluation Committee and entrusted the Committee with this responsibility, requesting that it submit its proposal to a future session of the Board".[2] Consequently, at its Third Special Session in October 2003, the Evaluation Committee charted a road map and time frame for revising its terms of reference (TOR) and rules of procedure (ROP), which would culminate in the presentation to the Executive Board in December 2004 of the revised TOR and ROP of the Evaluation Committee for approval. [3]

3.   The preparation of the revised TOR and ROP included a comparative analysis of the objectives and modus operandi of committees similar to IFAD's Evaluation Committee in the Asian Development Bank (AsDB), Inter-American Development Bank (IDB) and World Bank. The rationale for using these organizations was their similarity in terms of their offices of evaluation, which also are independent from management and report directly to a board. Information was also collected from the Food and Agriculture Organization of the United Nations (FAO), United Nations Development Programme (UNDP) and World Food Programme (WFP). It is worth noting that both at UNDP and WFP, there is no subcommittee of their executive boards to which evaluation issues can be addressed and such issues are dealt with directly at the executive board level. At FAO, major evaluation reports are discussed in the Programme Committee. In addition to the aforementioned, interviews were conducted with all Evaluation Committee members and other Executive Board members who attend the Evaluation Committee regularly as observers (including the three List Convenors).

4.   During 2004, the Evaluation Committee met on 20 February, 1 July and 3 September to discuss and review the draft proposal on its revised TOR and ROP. This document takes into consideration the views and recommendations expressed in these three sessions of the Committee, and contains the Committee's proposal for its revised TOR and ROP. It is submitted by the Evaluation Committee to the Executive Board for approval at its Eighty-Third Session.

5.   **Background on the evolution of the Evaluation Committee.** At its Thirty-First Session, the Executive Board established a committee to deal with evaluation matters. This committee was to assist the Executive Board by undertaking in-depth reviews of a selected number of evaluations and studies, relieving the Board of these duties. Until 1999, the work of the Evaluation Committee was governed by *organizational principles* adopted by the First Session of the Evaluation Committee in 1988. The TOR of the Evaluation Committee were not spelled out. However, the *organizational principles* stated that the ROP of the Executive Board should be applied, *mutatis mutandis*, to the work of the Evaluation Committee.

6.   By 1999, when the Evaluation Committee had been operating for more than eleven years, several Executive Board Directors expressed the wish that the Committee be revitalized and take a

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[1]   IFAD Evaluation Policy (EB 2003/78/R.17/Rev. 1).

[2]   See paragraph 31, Minutes of the Seventy-Eighth Session of the Executive Board (EB/78).

[3]   The road map was approved by the Executive Board in December 2003 (see paragraph 6, Report of the Third Special Session of the Evaluation Committee (EB 2003/80/R.7)).

more proactive role. In response, the Evaluation Committee proposed and the Executive Board approved the Committee's TOR and ROP at the Sixty-Eighth Session of the Executive Board in December 1999 (see Annexes II and III). The deliberations at this session established that the overall objectives of the Committee, as contained in the *organizational principles*, were still broadly valid. The Evaluation Committee was asked to continue enhancing the Board's ability to assess the overall quality of IFAD-supported activities, based on the evaluations conducted by OE, and provide its advice and recommendations to the Executive Board as and when necessary. However, some changes were introduced affecting the overall modus operandi of the Committee. For example, a common understanding was reached on a number of issues, such as the frequency of Evaluation Committee meetings, the composition of the Committee, the role of observers and the reporting requirements to the Board.

7.   This paper contains five sections. Section I contains an introduction and summarizes the Committee's background. Section II outlines the key elements of the future TOR and ROP of the Evaluation Committee, and covers items related to the Committee's mandate such as the objectives and scope of its work, the frequency and duration of meetings, its reporting to the Executive Board, and membership and governance issues. Section III contains a discussion on the resource implications for the future operations of the Evaluation Committee. Section IV includes the proposal on the revised TOR and ROP. Finally, section V summarizes the key decision sought from the Executive Board in December 2004.

II. ELEMENTS OF THE FUTURE TERMS OF REFERENCE AND RULES OF PROCEDURE OF THE EVALUATION COMMITTEE

8.   This section clarifies and provides background information on selected elements contained in the proposed revised TOR and ROP of the Evaluation Committee.

A. Mandate

9.   The evaluation policy spells out: (i) the oversight role of the Executive Board with regard to IFAD's independent evaluation function; and (ii) the basic elements of the role to be played by the Evaluation Committee. To fulfil the former, the Executive Board, as specified in the evaluation policy (paragraphs 9 and 65), is to:

(i)   oversee IFAD's independent evaluation and OE's work, and assess the overall quality and impact of IFAD programmes and projects as documented in evaluation reports;

(ii)   approve policies aimed at enhancing the independence and effectiveness of the evaluation function;

(iii)   receive directly from OE all evaluation reports, including the annual report on the results and impact of IFAD operations (ARRI);

(iv)   approve the TOR and ROP of the Evaluation Committee, which it has established to enhance and fortify its role in evaluation;

(v)   endorse the appointment, removal and renewal of service of the OE Director; and

(vi)   approve the OE annual work programme, and recommend to the Governing Council the approval of OE's budget.

10.   As to the Evaluation Committee, the evaluation policy provides first of all for the Committee's continuation. It makes the following observations regarding the Committee's mandate:

(i) the Executive Board "has established its own Evaluation Committee to assist it in considering evaluation issues" (paragraph 9), and refers to the Committee "which it has established to enhance and fortify its role in evaluation" (paragraph 65(iv));

(ii) for establishing effective learning loops, as "in the past, the Evaluation Committee will provide feedback to OE and report to the Executive Board on specific evaluation issues, and the latter will provide feedback to IFAD management" (paragraph 24(ii)), and;

(iii) the Evaluation Committee "will report to the Board on its deliberations following each and every Evaluation Committee session" (paragraph 53).

11. The Evaluation Committee is an advisor to the Executive Board on evaluation issues. As per its original mandate, the Committee will continue to have an advisory role in relation to the Board. Therefore, the scope of the Committee's mandate would stay within the oversight function of the Executive Board, as defined in the evaluation policy. More specifically, this implies that the Committee would advise the Executive Board by bringing important findings and lessons learned to the Board for consideration, and make recommendations related to evaluation activities and significant aspects of IFAD's evaluation policy. This will serve to strengthen the feedback loop and the Board's capacity to carry out its oversight responsibilities in relation to IFAD management and OE.

12. In light of the aforementioned, the Evaluation Committee will provide feedback on its deliberations and any corresponding recommendations intended for IFAD management and/or OE to the Executive Board for the latter's consideration. The Board would be responsible for exercising oversight of IFAD management and OE, as well as providing feedback to management (see paragraph 10 (ii)) in order to enhance the learning loop. In order to shorten the loop, however, in the future a representative of IFAD management will participate regularly in Evaluation Committee meetings.

13. **The expanded role of counterpart committees on evaluation in international financial institutions.** Any comparison between IFAD and other international financial institutions (IFIs) regarding their board committees on evaluation activities must consider two basic differences: (a) IFIs have a board with full-time resident executive directors; and (b) their volume of operational activities is greater than IFAD's. This being said, the information collected revealed that the corresponding board committees at both the IDB and World Bank are mandated not only to consider independent evaluation issues, but also major self-evaluation reports and policies prepared by management before being presented to their executive boards for approval (see Annex I). The corresponding board subcommittee at the AsDB deals with both independent evaluation and self-evaluation matters but not currently with policy issues.

14. **The role of the Evaluation Committee with regard to self-evaluation.**[4] The boards of the AsDB, IDB and World Bank have asked their respective committees, namely the Development Effectiveness Committee (DEC) at the AsDB, the Policy and Evaluation Committee (PEC) at the IDB and the Committee on Development Effectiveness (CODE) at the World Bank, to review both independent and key self-evaluation reports. There are a number of reasons why other IFI committees dealing with evaluation would review self-evaluation reports. First, it is widely recognized that self-evaluation and independent evaluation are closely linked and mutually reinforcing. In fact, the quality and synergies of the methodologies used for both self-evaluation on the one hand and independent evaluation on the other, are essential to gain a coherent and complete picture of an institution's results

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[4] Self-evaluation is defined as an "evaluation by those who are entrusted with the design and delivery of a development intervention"(*Glossary of Key Terms in Evaluation and Results Based Management,* Development Assistance Committee, Organisation for Co-operation and Development (OECD), 2002). However, at IFAD, the concept of self-evaluation is more widely referred to as "self-assessment", the methodology of which is currently being strengthened.

and impact. This is particularly true as it is widely recognized that independent evaluations should, as a priority, focus on major operation issues and policies, and can only cover a restricted spectrum of any institution's operations. Moreover, the availability of quality and timely self-evaluation products is fundamental to facilitating independent evaluations and impact assessments. This is because such evaluations and assessments depend to a large degree on the outputs and overall quality of self-evaluation processes, and the information base and analysis they generate. Finally, strong self-evaluation is of paramount importance to ensure systematic learning and feedback, and therefore, to the improvement in the performance of all operational activities, and not only those covered by independent evaluations.

15.   As distinct from the independent evaluations undertaken by OE, IFAD's self-evaluation activities are the range of actions conducted under the overall responsibility of operational staff, for example from the Programme Management Department (PMD), IFAD-supported projects and cooperating institutions. Some outputs from IFAD's self-evaluation processes include supervision reports, mid-term review reports, project completion reports, project/country status reports and so on. Clearly, the Evaluation Committee would not have adequate resources to examine all such self-evaluation products, nor would it be advisable to do so as this would lead to excessive involvement by member states in IFAD's operational issues and their management.

16.   Therefore, the Committee proposes that its role in IFAD's self-evaluation activities be limited to the review of the following two self-evaluation reports prepared by management before their presentation to the Executive Board. These are: the Progress Report on the Project Portfolio (which is presently discussed annually at the April Session of the Board); and any possible revision of the Results and Impact Management System.[5] The Committee's role in this new area shall remain consistent with its overall advisory role to the Executive Board. That is, it would be limited to the review of the aforementioned major self-evaluation documents presented by management to the Board and to advising the Board on the adequacy and quality of the self-evaluation capabilities and the findings reflected therein. The Evaluation Committee would review these documents, together with comments on each document made independently by OE. Any possible resource implications this may have are discussed in section III.

17.   **The possible role of the Committee with regard to operation policies.** The IDB and World Bank have over time expanded the responsibilities of their board evaluation committees. The committees are expected to ensure that the feedback loop between lesson learning and adoption takes place not only in the design of new operations and the implementation of ongoing ones, but also in terms of systematic feedback into the development of operation policies. In fact, new operation policies may originate in a variety of settings, but in all cases, they should be consistent with the lessons learned from the institution's own evaluations. As a result, now both at the IDB and the World Bank, the mandates of the respective committees (PEC and CODE) cover the discussion/review of operation policies in addition to operational evaluations. The DEC of AsDB is considering the expansion of its role to include operation policy review.

18.   In the context of IFAD also, it is conceivable that the Evaluation Committee could play a useful advisory role for the Board, given that OE is increasingly involved in evaluations of IFAD policy and strategy and the Committee is gaining deeper insights into IFAD experiences on issues of a strategic and policy nature. The role of the Evaluation Committee in this area would entail reviewing proposals relating to operation policy documents before they are submitted for approval to the Executive Board.

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[5]   Framework for a Results Management System for IFAD-Supported Country Programmes (EB 2003/80/R.6/Rev.1) presented to the Eightieth Session of the Executive Board. The document includes a framework for measuring and reporting on the results and impact of IFAD-supported country programmes, with common indicators, baselines and categories for consolidation, and with timelines and milestones for implementation.

This would reassure the Board that the policies in question take into due consideration the key lessons learned from the relevant evaluations and their recommendations. In light of the limited frequency of Evaluation Committee meetings and the fact that IFAD does not have full-time Executive Directors, the Committee's role would be confined to discussing revisions to corporate-level policies that have been evaluated by OE or to new policies that have emerged as a follow-up to an OE corporate-level evaluation. To facilitate its work in this regard, OE would provide its written comments to the Committee on each operation policy document that the Evaluation Committee may decide to examine.

19.   To summarize, the Evaluation Committee would discuss selected operation policy documents, together with the corresponding comments by OE, before their presentation to the Board – with the understanding that the Committee's functions would remain consistent with its overall role as advisor to the Board. The role of the Evaluation Committee would be limited to reviewing documents that are relevant from the evaluation point of view, and to providing their overall comments and recommendations for the Board's consideration. As with the proposed extension of the role of the Committee to cover self-evaluation activities, the Evaluation Committee's involvement in operation policy review has some resource implications, which are discussed in section III. The Committee also noted that, should it be so decided, the expansion of its role to cover selected operation policy documents might call for a review of the evaluation policy.

20.   The majority of Evaluation Committee members supported the concept of extending the Committee's role to the review of selected operation policies along the lines described in the preceding paragraphs. Some members, however, raised questions on the criteria for selection of the policies to be reviewed and on the practicability, in terms of capacity and cost, for the Evaluation Committee to carry out such a review.

B. Objective

21.   The Evaluation Committee has taken into account the following two major concerns in articulating its objectives:

(i)   it recognizes that important progress has been made in recent years in the activities of OE in areas such as evaluation methodology and in the development of IFAD's practical guide on project monitoring and evaluation. Notwithstanding recent positive examples, the Committee notes that the feedback loop of integrating the lessons from OE evaluations into operational activities and into IFAD's policies and strategies remains weak; and

(ii)   The Committee underscores that its reporting to the Executive Board needs to be strengthened if the Committee's advice is to have a greater impact on the Board.

22.   The main objective of the Evaluation Committee, in order to assist the Executive Board effectively in discharging its oversight responsibilities, is to ensure full implementation of and compliance with the evaluation policy, and satisfy itself that IFAD's operational evaluation activities and self-evaluation activities are efficient. Within the policy, the Committee will specifically review the formulation and implementation of OE's annual work programme and budget, and provide its overall advice to the Executive Board in order to assist it in discharging its oversight functions on OE. As to self-evaluation activities, the Evaluation Committee would systematically advise the Board on the findings and overall results contained in the Progress Report on the Project Portfolio. In examining any possible revisions of the Results and Impact Management System, the Evaluation Committee would report on the adequacy of the self-evaluation capabilities and processes that are in place to perform this crucial function. On operation policies, the Committee would review selected policies to ensure that they build appropriately on relevant evaluation lessons and recommendations.

C. Scope of Work

23.   In order to achieve the stated objective, the Committee will focus its work on selected areas. First, the Evaluation Committee must satisfy itself on two levels:

   (i)   that the independent evaluation and self-evaluation work is of high quality; and

   (ii)   that management takes up systematically the recommendations made in the agreement at completion point (ACP) of each evaluation.

24.   **Specific evaluation work required by the evaluation policy for presentation to the Executive Board and Evaluation Committee.** The Committee will prioritize its activities so as to assure the Executive Board that for major OE reports, the Board knows it can consistently rely on the prior work done by the Evaluation Committee. The Committee will, on a standing basis, review all the main documents submitted by OE during the year for Board consideration, in accordance with the evaluation policy. There are three such documents: the OE annual work programme and budget (which also includes a review of the previous year's achievements), the ARRI, and OE's comments on the annual Report of the President on the Status of Implementation of Evaluation Recommendations.[6] [7] Such an approach *de facto* has already been established, as the review of these items was included in the work of the Evaluation Committee for 2004.[8]

25.   **Review of selected OE evaluation reports.** The past shift in emphasis by the Committee towards corporate-level evaluations, and country programme and thematic evaluations is helpful, as they provide an assessment of results and impact beyond the project level. However, given that projects are still the backbone of IFAD activities, the Evaluation Committee will continue to review project evaluations in addition to all corporate-level evaluations carried out by OE, and selected country programme and thematic evaluations together with their respective ACPs. Moreover, written comments from PMD will be included as an annex in each of the evaluation reports presented to the Committee for discussion.

26.   The Evaluation Policy's compulsory requirement for an interim project evaluation to be conducted before a second phase of a project is embarked upon by IFAD, introduces a rigidity that in effect limits OE's flexibility to undertake the best mix of evaluations. In due course, the Evaluation Committee will examine this matter in more detail and consider whether to recommend to the Board that it review the specific provision in the evaluation policy (with regard to the mandatory undertaking of interim evaluations) in order to introduce the required degree of flexibility in the OE annual work programme.

27.   **OE's annual work programme and budget.** According to the evaluation policy, the OE annual work programme and budget will be presented together, but as a separate submission, with IFAD's annual programme of work and budget (POWB) to the Executive Board.[9] Upon the decision of the Board and as per the practice in 2003 and 2004, the Evaluation Committee will continue to review the preview of the OE work programme and budget at the Committee's September meeting and make its recommendations to the Board at its September session. The Evaluation Committee will also

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6   This is already the practice at other IFIs, where the board committees dealing with independent evaluation are required to review the actions taken by management on evaluation reports and their recommendations.

7   Under IFAD Evaluation Policy, OE is required to prepare and submit its comments on the Report of the President on the Status of Implementation of Evaluation Recommendations to the Executive Board, simultaneously with the presentation to the Board of the report itself (see IFAD Evaluation Policy paragraph 49).

8   The ARRI and the OE work programme and budget were also reviewed by the Evaluation Committee in 2003.

9   See IFAD Evaluation Policy, paragraph 28.

have a detailed discussion on the same topic, based on the more comprehensive work programme and budget document that OE prepares for the October Committee session. The Committee will make its recommendations to the Board when the latter discusses the final proposal on the OE work programme and budget at the December session of the Executive Board. By twice reviewing the document on a systematic basis, (at the September and October sessions), the Evaluation Committee can reassure the Board that it reviews in detail both the work programme and budget as a package, given that the two components are closely interlinked.

28.   Moreover, the Board decided in April 2004 to request the Audit Committee to discuss the POWB – which also includes the annual work programme and budget of OE[10] – for 2005 and subsequent years, in November, before the same document is presented for approval at the December sessions of the Executive Board. In order to facilitate the Audit Committee's review of the POWB (which includes the OE work programme and budget), the Evaluation Committee Chairperson's draft report of the October meeting to the December Board will be shared with the Chairperson of the Audit Committee, for informal circulation in the Audit Committee. Should the need arise, the Chairpersons of the Audit Committee and Evaluation Committee would meet with a view to harmonizing their respective reports to the December Board.

29.   **Review of management self-evaluations reports and selected operation policy documents.** As regards self-evaluation reports, the Evaluation Committee would review and propose recommendations to the Executive Board on the Progress Report on the Project Portfolio and any revision of the Results and Impact Management System. In relation to the selected operation policy documents to be reviewed, the Committee would provide its overall comments, and in particular advise the Board on the extent to which the lessons learned and recommendations from evaluation have been adequately incorporated into the policy documents prepared by the management.

D. Meetings and Reporting

30.   The Evaluation Committee recognizes that the timing of its Chairperson's report is a major consideration in improving the Committee's reporting to the Executive Board. The current closeness of Evaluation Committee sessions to those of the Executive Board does not allow for timely presentation of the Committee's findings and recommendations. There is also a need for issues-oriented and focused reporting to the Executive Board in order to make the advisory function of the Evaluation Committee fully effective. However, before addressing the question of the Committee's reporting to the Board and the timing of Committee sessions vis-à-vis Executive Board sessions, it is worth noting the Evaluation Committee's proposal on the frequency and length of its individual meetings, i.e., regarding the volume of Committee work it considers essential to carry out its function.

31.   **Frequency and length of meetings.** The Evaluation Committee notes that more time needs to be devoted to Committee activities. Any incremental work by the Committee should result in more in-depth deliberations rather than the addition of more items to the agenda. Hence, the Committee proposes to organize four regular meetings per year. Moreover, the Chair of the Evaluation Committee may call for other ad hoc meetings as and when required during the year. The Committee would determine the duration of each session in light of the nature and number of agenda items it decides to consider in any given session. Based on previous experience however, for the Evaluation Committee to have enough time to adequately discuss an appropriate mix of OE evaluations, and the additional topics that are mandatory under the evaluation policy[11] as well as those documents that would be

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[10]   As per the President's Bulletin of 8 December 2003 on the Evaluation Policy (see paragraphs 15, 16 and 18), the OE budget will closely follow the overall structure and layout of the IFAD budget.

[11]   The ARRI, the OE work programme and budget, and the President's Report on the Implementation Status of Evaluation Recommendations together with OE's comments.

reviewed following the proposed expansion in the Committee's role,[12] it would need two full-day and two half-day meetings.

32. **Timing of meetings and reporting to the Board.** The Committee Chairperson's report to the Board is a fundamental document in terms of providing the Executive Board with a summary of the key issues discussed and the recommendations for the Board's approval. The experience in other IFIs is that succinct, issues-oriented reports containing clear recommendations from the Chair are critical for achieving maximum results in the Board and for strengthening the learning loop. Hence, it is important for the Executive Board to receive focused and 'actionable' reports.

33. It appears that greater Board attention to the work of the Evaluation Committee would be obtained by having the Chairperson's report consistently circulated earlier than is the current practice. This would have an important bearing on the timing of Committee meetings in relation to the timing of Executive Board sessions. In order to gain in effectiveness, it is proposed to de-link selected Evaluation Committee meetings from Executive Board sessions in those cases where the same topic considered in a given Committee meeting will also be discussed in the subsequent Board session. This will allow for the Chairperson's report to be dispatched to Executive Board members in a timely manner for their review prior to the relevant Board meeting.

34. However, there are some cost implications of de-linking the meetings that must be taken into consideration. One is related to the need to bring to Rome, non-Rome-based Evaluation Committee members. Another issue relates to interpreters. Both issues are discussed in section III of this document.

35. In addition to the report of the Chairperson of the Evaluation Committee, as per the requirements of the evaluation policy, OE will summarize, in consultation with the Office of the Secretary (ES), the key deliberations and recommendations of each Committee session in the form of minutes, which will be circulated in draft form to all participants for their clearance. ES will continue to produce verbatim records and make them accessible to the Evaluation Committee upon request. With regard to ES, it is important to note that the overall organizational and administrative relationship between ES and OE in relation to the Evaluation Committee is governed by the President's Bulletin issued in December 2003 (see Annex IV for more details).

36. **Documentation for the Evaluation Committee.** Whenever an OE evaluation is considered by the Evaluation Committee, OE will systematically provide the Committee with a sufficiently comprehensive evaluation summary together with the corresponding ACP and PMD's comments in an annex.

37. OE will also provide the Committee with the entire evaluation report, which would include the executive summary, ACP and main report. The executive summary and ACP will be provided both in English and in the original language (should the report be written in Arabic, French or Spanish). The main report will be available in original language only, as translation of the main evaluation report into English or other IFAD official languages would have a major cost implication for the operations of the Committee.

E. Membership and Governance

38. Efforts will be made to strengthen evaluation knowledge within the Evaluation Committee in order to render it a stronger advisory body to the Executive Board on all evaluation matters. This is important as not all Evaluation Committee/Executive Board members can turn to their home country

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[12] The Progress Report on the Project Portfolio together with OE's comments, and selected operational policy documents.

authorities for quick assistance in evaluation matters. Against this background, the following steps will be introduced:

(i)   OE will continue systematically to provide a small package of documentation and provide intensive oral briefings to new Evaluation Committee members to familiarize them with the work and methods of the Committee and OE; and

(ii)   OE will organize a workshop or seminar for all Committee members, also open to other Executive Board members, to help them become familiar with evaluation methodologies and policies, for example, on how to obtain different points of view from recognized authorities. This would be done soon after the Board elects a new Evaluation Committee.

39.   **Field visits.** As in the past, OE will organize field visits to be undertaken periodically by the Committee. These are considered useful instruments to allow the Evaluation Committee to exchange views on the ground and to enhance their ability to contribute effectively to Committee deliberations. Executive Board Directors who are not members of the Evaluation Committee may also take part in such visits, with the understanding that the participation of both Evaluation Committee members and other Executive Board Directors would be in an observer capacity in order to safeguard the independence of the OE evaluation activity, which is the subject of the field visit.

40.   **Composition, Chair and the role of observers.** Currently, the Evaluation Committee consists of nine members, four from List A, two from List B and three from List C. The Chairperson is selected from the List B or C members of the Evaluation Committee.[13] The Committee recommends to the Executive Board that the current arrangement be maintained with regard to the composition and Chair of the Committee. Moreover, Executive Board members who are not members of the Evaluation Committee may participate in the Committee meetings as observers.

III. RESOURCE ISSUES

41.   A number of proposals included in the preceding sections have resource implications. In particular, there are four main areas that will give rise to cost increases[14] for the Evaluation Committee:

(i)   **Increase in the number and length of Committee meetings.** In comparison with the present TOR and ROP of the Evaluation Committee, the number of regular Evaluation Committee sessions increases by one (from three to four), and the duration of two of the sessions increases from half-day to full-day sessions. This would result in cost increases of around USD 22 000 (see Annex V for more details);

(ii)   **De-Linking from Executive Board sessions.** Such a 'de-link' would involve moving back the date of Evaluation Committee meetings by around two weeks (ahead of the Executive Board sessions) for two meetings (specifically, the Evaluation Committee meetings before the April and September Executive Board sessions). The October Committee session is by nature de-linked, as there is no Executive Board session in that month. Hence, the financial implication of having three Evaluation Committee sessions de-linked from those of the Executive Board is around USD 15 300 (see Annex V);

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[13]   As decided by the Executive Board at its Sixty-First Session.
[14]   The cost estimates for the various items in this section have been provided by ES.

(iii)   **Translation of documents.** The proposed revised TOR and ROP will lead to additional translation costs into all IFAD languages for only one document[15] to be reviewed by the Evaluation Committee. The estimated cost would be around USD 7 500 (see Annex V); and

(iv)   **Preparation of Committee members.** Under normal circumstances, this would add mainly to OE costs for preparing and conducting the respective instructional workshops, say every two years. Less frequently OE would also need to prepare an introduction briefing kit, which, as is currently the case, is largely a compendium of existing documentation. Hence, this element should not have additional cost consequences in US dollar terms.

42.   OE will have to devote a significant amount of staff time to the additional one and a half days of Committee meetings.[16] However, at this stage, it is difficult to calculate precisely the extra OE staff time that will need to be reserved for this purpose. For the time being, OE will absorb internally the additional staff time through productivity increases, and if and as required, recruit consultant(s) during the year to assist in accomplishing the necessary tasks. However, based on the experience gained in 2005 and as stated in paragraph 13 of the Evaluation Committee Chairperson's Report to the Eighty-Second Session of the Executive Board, the division will reflect on its overall human resource requirements for 2006 and, as necessary, submit a staffing proposal to the Board that would allow it to undertake its overall work programme effectively. There will also be some implications for ES staff time and for the time IFAD management will have to devote to its participation in the additional Committee sessions. Committee members too will have to reserve time for reviewing documents and participating in the additional discussions.

43.   The overall costs (around USD 44 800), excluding the staff costs mentioned in the previous paragraph, would normally have been absorbed by ES, given its overall mandate and responsibilities in relation to IFAD governing bodies. However, in the light of the current zero real growth provision followed by IFAD management on its administrative budget, any increase in costs cannot be absorbed by the ES budget. For this purpose, OE will include a contingency allocation in its 2005 budget proposal, pending a Board decision on the revised TOR and ROP of the Evaluation Committee. This contingency would also serve to cover the costs of any ad hoc session that the Chairperson of the Evaluation Committee may convene during the year. In 2005, based on the experience in the implementation of the revised TOR and ROP, OE will be able to quantify more precisely the extra costs related to the Committee that cannot be incorporated into the ES budget. In this regard, OE will include a corresponding budget line in its 2006 budget proposal, and is therefore expected to drop the contingency line contained in its 2005 budget.

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[15]   The comprehensive OE work programme and budget proposal discussed in the Evaluation Committee, which on average is around 20 pages long.

[16]   Calculated as follows: four sessions (two full days and two half days) in 2005 onwards **minus** three half-day sessions as per the 1999 TOR and ROP of the Evaluation Committee.

IV. PROPOSED TERMS OF REFERENCE AND RULES OF PROCEDURE

44.   This section has been divided into two parts. In the first part, the proposed revised TOR of the Evaluation Committee have been outlined, whereas in the second part key elements of the proposed ROP are included.

A. Terms of Reference

Mandate

45.   The Executive Board has established the Evaluation Committee to enhance and fortify its role in operations evaluation. It relies on the Evaluation Committee to provide it with advice on matters related to IFAD's independent and self-evaluation activities as well as selected operation policy documents. Recognizing that the Evaluation Committee is an advisory body, the Committee will make recommendations on evaluation matters as part of its reporting to the Executive Board.

Objectives

46.   In order to assist the Executive Board in discharging its oversight function, the Committee has the following main objectives:

    (i)   to ensure the full implementation of and compliance with the IFAD Evaluation Policy, whose overarching objective is the assessment of IFAD's results and impact in order to improve the Fund's operations and policies;

    (ii)   to satisfy itself that the formulation and implementation of OE's annual work programme and budget are in line with the Evaluation Policy;

    (iii)   to satisfy itself that OE's independent work and IFAD's self-evaluation activities, embodied in two management reports (the Progress Report on the Project Portfolio and any further revisions to the Results and Impact Management System), are relevant and carried out effectively and efficiently; and

    (iv)   to contribute to IFAD's learning loop by reporting and making recommendations to the Board on the independent evaluations it considers and on the two management reports mentioned in the previous bullet point, as well as on any operation policies it decides to review.

Scope of Work

47.   The Committee will undertake the following activities:

    (i)   Review on a standing basis the OE annual work programme and budget, the Annual Report on the Results and Impact of IFAD Operations, and the Report of the President on the Status of Implementation of Evaluation Recommendations, together with the OE report on the same subject;

    (ii)   Discuss all OE corporate-level evaluations and selected country programme, thematic and project evaluation reports together with their ACPs, and management's comments on the respective reports;

(iii)   Discuss the following reports, including OE's comments on same, prior to their consideration by the Executive Board: (a) the Progress Report on the Project Portfolio; and (b) any possible future revision made by management to the Results and Impact Management System;

(iv)   Review operation policy proposals arising from evaluation lessons and recommendations, including OE's comments on the proposals, before they are considered by the Executive Board. This review will focus on the internalization of evaluation-based lessons and recommendations; and

(v)   Undertake collectively field visits, as and when appropriate, to observe key evaluation activities, which will assist the Evaluation Committee in conducting its duties more efficiently and effectively.

48.   With regard to each of the above tasks, the Committee will convey its findings, and provide a summary of the key issues and recommendations to the Board for the latter's consideration.

B. Rules of Procedure

49.   The Rules of Procedure of the Executive Board shall apply, *mutatis mutandis*, to the proceedings of the Evaluation Committee, except as specified below:

Rule 1: Convening, Timing and Length of Meeting. The Evaluation Committee will hold four sessions in each calendar year. One meeting will be held before each of the (three) sessions of the Executive Board. Another meeting will be held in October with the specific objective of discussing the annual OE work programme and budget. If required, additional special sessions may also be called on an ad hoc basis by the Chairperson of the Committee at any time in the year. The exact dates and length of each meeting in the subsequent year will be fixed during the Evaluation Committee's annual December session.

Rule 2: Notification of Sessions and Agenda. The IFAD Secretariat shall inform each Committee member of the date and place of a session thirty days in advance. During its December session, the Evaluation Committee shall draw up a tentative agenda for all sessions in the subsequent year, taking into consideration the various standing items the Committee must discuss. For this purpose, the Office of Evaluation shall provide the Committee with a proposal for the agenda of its sessions. The Committee retains the prerogative to revise by adding, deleting, defining or amending items on the agenda during the course of the year. The agenda shall be communicated by the Secretariat to all Evaluation Committee members along with the notification of sessions. A notification of each Committee session, together with the agenda, will be sent by the IFAD Secretariat for information to all other Executive Board directors not members of the Evaluation Committee.

Rule 3: Membership and Terms of Office. The composition of the Evaluation Committee shall consist of nine Executive Board members or alternate members: four members from List A, two from List B and three from List C. The term of office of the Evaluation Committee shall be three years and coincide with the term of office of the Executive Board.

Rule 4: Quorum. The quorum for any meeting of the Evaluation Committee shall be constituted by five members.

Rule 5: Chairperson. The Committee will elect its Chairperson from its List B and C Committee members. In the absence of the Chairperson during a scheduled meeting or field visit of the Committee, the Chair shall be temporarily assumed by another member selected by the Committee.

Rule 6: Decisions. The Committee shall make every effort to arrive at decisions by consensus. Where such efforts have been exhausted, the Chairperson's rulings shall stand when supported by four other members.

Rule 7: Attendance at Meetings and Field Visits. In addition to Evaluation Committee members and the Director of the Office of Evaluation, the said Director may designate members of his staff to participate in the deliberations of the Committee. A representative of IFAD management will take part in all Evaluation Committee sessions. Other IFAD staff members may be required to attend Committee meetings and to provide, pursuant to the Committee's request, such information and clarifications as may be required in carrying out the Committee's responsibilities. The Evaluation Committee members will participate as observers in any field visit organized by OE. Other Executive Board members not members of the Evaluation Committee may also attend Committee meetings as observers and participate in field visits.

Rule 8: Documentation and Reports. In line with IFAD's disclosure policy, all reports and documents presented to the Evaluation Committee will be disclosed to the public. The key issues and recommendations of the Committee shall be recorded in a report, which the Chairperson shall prepare after each session and submit for approval to the Executive Board (see Rule 9). This document, too, will be disclosed to the public through the IFAD website. In consultation with ES, OE shall prepare minutes after each Evaluation Committee session and send them in draft form to all participants for their clearance before finalization.

Rule 9: Reporting to the Executive Board. The Committee Chairperson shall provide a written report of its deliberations to the Executive Board after each Evaluation Committee session. The reports will be focused and issues-oriented, and identify the most relevant issues and recommendations for the Board's information and approval, as required. This report should be translated into IFAD's official languages and dispatched to Board members as early as possible for their timely review, ahead of the relevant Executive Board session. The Chairperson may, in addition, provide an oral report during each Board session, as and when s/he considers necessary.

V. DECISIONS SOUGHT FROM THE EXECUTIVE BOARD

50.   Based on the rationale outlined in sections I and II, and taking note of the resource requirements summarized in Section III, the Evaluation Committee recommends that the Executive Board approve the revised terms of reference and rules of procedure of the Evaluation Committee as contained in section IV of this document. The attention of the Executive Board is drawn to paragraphs 17 to 20, which might necessitate a revision to the evaluation policy. In addition, the Board is invited to approve the Committee's functioning according to its new TOR and ROP with effect from 1 January 2005.

COMPARISON WITH THE INTER-AMERICAN DEVELOPMENT BANK AND WORLD BANK BOARD COMMITTEES ADDRESSING EVALUATION

(Whose Independent Evaluation Offices Report Directly to the Board Rather than to Management)

	IFAD	IDB	World Bank
1. Independent evaluation office (functions)			
Name of office	Office of Evaluation (OE)	Office of Evaluation and Oversight (OVE)	Operations Evaluation Department (OED)[1]
Independent evaluations	Yes	Yes	Yes
Methodology for evaluation across institution	Partial	Yes	No
Oversight for evaluation throughout institution	No	Yes	Yes
Validation/attestation of self evaluation	No (except for projects evaluated by OE)	Yes	Yes
2. 'Evaluation Committee' equivalents			
Name of committee of the executive board	Evaluation Committee (EC)	Policy and Evaluation Committee (PEC)	Committee on Development Effectiveness (CODE)
Function/coverage	Independent evaluation	Independent and self-evaluation, and operation policies	Independent and self evaluation, and operation policies
Members (number)	Nine	Seven	8
Frequency of meetings	Three to five per year	Average ca. three per month	Average ca. two per month
Open to non-members	Yes	Yes	Yes

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[1] OED covers the operations of the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). Different evaluation units provide similar services for other parts of the World Bank group: the International Finance Corporation (IFC) has its Operations Evaluation Group (OEG) and the Multilateral Investment Guarantee Agency (MIGA), its Operations Evaluation Unit (OEU).

Formal TOR for committee	Yes	No (role discussed in executive board meetings – would be found in minutes)	Yes (for sector strategy papers, country assistance reviews, evaluation policies, methods and processes)
Evaluation sub-committee(s)	No	No	Yes
Relationship with executive board	Advisory	Advisory	Advisory
3. Executive Board			
Members (number)	18 and 18 alternate members, who all participate in Executive Board sessions	14	24
Frequency of meetings	Three per year	One to two weekly	One to two weekly
4. Reports from independent evaluation office			
For executive board agenda	Work programme and budget ARRI, President's Report on the Status of Implementation of Evaluation Recommendations together with OE's report on the same topic (with Evaluation Committee advice)	All (with PEC advice)	Work programme and budget, the Annual Report on Operations Evaluation and the Annual Review of Development Effectiveness (with CODE advice)
For executive board information only	All OE evaluation reports. The Committee may recommend any report for Executive Board discussion or the Board itself may request to discuss a given evaluation report.	N.a.	All other OED reports, CODE may recommend any other such OED reports for executive board discussion

For committee agenda	Work programme and budget, ARRI, President's Report on the Status of Implementation of Evaluation Recommendations together OE's report on the same topic, sample of other OE reports.	Annual report, work programme and budget for following year. All other OVE reports	All reports except (i) project evaluations; and (ii) country assistance evaluation – latter are considered by the sub-committee
5. Tracking recommendations from evaluations	To start in 2004 with OE response to the Executive Board (see 4 above).	Not systematic	Management Action Report follows all recommendations except for those in country assistance evaluations (handled separately in the context of the next country assistance strategy).
6. Reporting from the committee to the executive board	Report of Chair on all items discussed in Evaluation Committee	Report of chair on all OVE reports (two to three pages)	Report of chair on OED reports discussed in CODE. The chair also provides an annual report on CODE's activities (and a monthly report goes to the executive board steering committee).

ANNEX I

SUMMARY COMMENT

1.   Any comparisons between IFAD and the two other IFIs in terms of executive board committee functions and evaluation activities must note two basic differences: these IFIs have a board with full-time resident executive directors, and their volume of operations is greater than IFAD's. Moreover, differences in the function of their independent evaluation offices need to be recognized. Time and moneys spent on the various oversight functions (including for evaluation) in these two IFIs are greatly beyond IFAD's scope. However, when it comes to certain qualitative aspects, the comparisons may throw light on relevant functions and objectives of the independent evaluation offices and their respective executive boards and board committees. Two are of special interest:

(i)   **The coverage of the evaluation function across the three institutions**: in the two other IFIs the independent evaluation offices and the board committees concerned with evaluation address both independent and self-evaluation across the institution. In the case of IDB, when the evaluation system was redesigned in 1999-2000, the oversight function of the independent evaluation office was even given special recognition in the new name of the Office of Evaluation and Oversight. This has not been the case in IFAD where OE and the Evaluation Committee at present have no oversight function on the self-evaluation undertaken by management. That oversight function has so far remained a direct responsibility of the Executive Board;

(ii)   **The role of the board committee that addresses evaluations**: at the IDB and World Bank there has been an evolution over time towards expanded functions for the respective committees, now covering both evaluation and operation policies. At the World Bank, for instance, for many years the board had a joint audit committee with two arms, one dealing with the traditional audit function and the other evolving the operation evaluation function – a situation that, in most ways, now prevails at IFAD with its two Executive Board committees, i.e. the Audit Committee and the Evaluation Committee. The World Bank board increasingly recognized that for an effective evaluation feedback loop, one major important link was to build these lessons into new operation policies. CODE now has to ensure that such a link is established under its mandate.

2.   In addition, it is worth drawing attention to the special efforts made by the respective board committees to engage the independent evaluation units and management in a closer exchange and learning process for obtaining maximum benefits from the lessons learned in the (independent) evaluation activities. This has resulted, especially in the World Bank, in CODE's ability to draw consistently on OED evaluations, together with management responses, for its own deliberations.

TERMS OF REFERENCE OF THE EVALUATION COMMITTEE APPROVED BY
THE EXECUTIVE BOARD IN DECEMBER 1999

(1)   To enhance the ability of the Executive Board to assess the overall quality and impact of IFAD programmes and projects through a discussion of selected evaluations and reviews conducted by the Office of Evaluation and Studies as well as to fortify the Board's knowledge of lessons learned in IFAD's programmes and projects and to enable Member States to better assess the Fund's role in the pursuit of a global development strategy;

(2)   to discuss with the Office of Evaluation and Studies the scope and contents of its annual work programme and strategic directions;

(3)   to satisfy itself that the Fund has an effective and efficient evaluation function;

(4)   to report to the Executive Board on the committee's work and, as appropriate, make recommendations and seek guidance on evaluation issues of policy and strategic importance; and

(5)   to undertake field visits, as and when required, and participate in evaluation missions, workshops, round-table meetings and related activities in order to assist the Evaluation Committee in conducting its duties.

RULES OF PROCEDURE OF THE EVALUATION COMMITTEE APPROVED BY
THE EXECUTIVE BOARD IN DECEMBER 1999

The Rules of Procedure of the Executive Board shall apply, *mutatis mutandis*, to the proceedings of the Evaluation Committee, except as specified below:

Rule 1
Convening of Meetings

The Evaluation Committee shall hold three sessions in each calendar year. The first meeting shall be held the day before or after IFAD's annual Governing Council session, whichever is more convenient for committee members. The remaining two sessions shall be held on the day preceding the September and December Executive Board sessions, respectively. Additional informal in the same calendar year may also be called on an ad hoc basis by the chairperson.

Rule 2
Notification of Sessions and Agenda

The IFAD Secretariat shall inform each committee member of the date and place of a session at least thirty days in advance. During its December session, the Evaluation Committee shall draw up a tentative agenda for all three sessions in the subsequent year. To facilitate this work, the Office of Evaluation and Studies shall provide the committee with its proposed work programme for the year. The committee retains the prerogative to revise by adding, deleting, defining or amending items on the agenda during the course of the year. The agenda shall be communicated by the Secretariat to all Evaluation Committee members along with the notification of sessions.

Rule 3
Membership and Terms of Office

The composition of the Evaluation Committee shall consist of nine Executive Board members or alternate members: four members from List A, two from List B and three from List C, The term of office of the Evaluation Committee shall be three years and coincide with the term of office of the Executive Board.

Rule 4
Quorum

The quorum for any meeting of the Evaluation Committee shall be constituted by five members.

Rule 5
Chairperson

The committee shall elect its chairperson from List B and Committee members. In the absence of the chairperson during a scheduled meeting of the committee, the chair shall be temporarily assumed by another member from List B or C selected by the committee.

Rule 6
Decisions

The committee shall make every effort to arrive at decisions by consensus. Where such efforts have been exhausted, the chairperson's rulings shall stand when supported by four other members.

Rule 7

Attendance at Meetings

In addition to Evaluation Committee members and the Director of the Office of Evaluation and Studies, the said Director may designate members of his staff to participate in the deliberations of the committee. The Director shall also invite other IFAD staff members to provide, pursuant to the committee's request, such information as maybe required in carrying out the committee's responsibilities. Other Executive Board members not members of the Evaluation Committee may also attend the meetings as observers.

Rule 8

Documentation, Records and Reports

The proceedings of the committee, documents provided to the committee and the records of the committee's deliberations shall be restricted and available only to members of the committee and members of the Executive Board. The proceedings of the committee shall be reflected in the Minutes of the Evaluation Committee, unless the committee decides otherwise.

Rule 9

Reporting to the Executive Board

The Evaluation Committee shall provide a written report of its deliberations to the Executive Board during the latter's April session. The report, which shall be included in the Office of Evaluation and Studies Annual Progress Report on Evaluation, shall be dispatched to Board members according to established Board procedures. The chairperson of the committee may, in addition, provide an oral report during the April Executive Board session. The Evaluation Committee may also provide ad hoc written or oral reports to the Board during its September and/or December sessions.

FUNCTIONS OF THE OFFICE OF THE SECRETARY OF IFAD IN RELATION TO THE EVALUATION COMMITTEE[1]

Continuity of Functions of the Office of the Secretary

The Office of the Secretary (ES) will continue to perform its current functions related to evaluation in support of the governing bodies.

Specific Functions of ES

ES will continue to perform the following functions:

(a) Editing and translation of documents going to the Evaluation Committee, Executive Board and Governing Council;

(b) Organization of the Evaluation Committee's sessions, including provision of interpretation in all languages;

(c) Invitation and documentation for participation in Evaluation Committee sessions;

(d) Provision to OE of the verbatim of each Evaluation Committee session in a timely manner;

(e) Keeping updated contact details of Evaluation Committee members in the CIAO system; and

(f) Provision of the necessary archival services to OE.

Clearance of OE Documents for Consideration by Governing Bodies

In accordance with the approved IFAD Evaluation Policy, the Director of OE will have the authority to issue final evaluation reports and related documents directly and simultaneously to the Executive Board, the President and other stakeholders, and to disclose them to the general public without prior clearance from anyone outside OE.

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[1] As included in the President's Bulletin, 8 December 2003 on the IFAD Evaluation Policy.

**ESTIMATED COST INCREASES CAUSED BY THE PROPOSED REVISED TERMS OF REFERENCE
AND RULES OF PROCEDURE**

1.   **Increase in the number and length of Evaluation Committee sessions.** The services required for the additional one and a half days of Committee sessions with a direct cost implication include:

	USD
(a) simultaneous interpretation facilities[1]	9 000[2]
(b) temporary support staff [3]	1 500
(c) hospitality for one full-day session	1 000

2.   The total cost for one additional day is USD 11 500, whereas the total cost for the additional half day is USD 10 500 as the costs of items (b) and (c) would be marginally reduced in the case of half-day sessions.

3.   **De-linking from Executive Board sessions.** This item would have cost implications for the travel of non-Rome-based Evaluation Committee members. Based on past experience, it can be assumed that there will be one non-Rome-based Committee member who will request for travel-related costs to be reimbursed.[4] The following are the approximate costs for the travel of one Committee member to participate in one session (the cost is the same for half or full-day sessions):

	USD
(a) air fare	4 500[5]
(b) daily subsistence allowance in Rome for two days	5 00
(c) terminal expenses	1 00

4.   The total is USD 15 300 (5 100 x 3[6]). This would facilitate the participation of one non-Rome-based Evaluation Committee member in the three Committee sessions de-linked from the Executive Board.

5.   **Translation of documents.** All documents that the Evaluation Committee would consider under its revised TOR and ROP are intended for discussion in the Executive Board (apart from the OE comprehensive work programme and budget document). Hence, ES would be responsible for translating these documents for the Board's consideration. In sum, there are no cost implications for the translation of documents apart from the USD 7 500 outlined in the main text.

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[1]   In this regard, it must be kept in mind that interpreters in one language (Arabic) are brought to Rome from the respective region. For the other languages, interpreters and translators are recruited on a short-term basis from Rome.

[2]   The same cost will apply for a full one-day or half-day session.

[3]   Including verbatim team, messenger, support staff overtime, technical assistance for conference equipment, etc.

[4]   On the travel of non-Rome-based Committee members, it should be noted however that, according to the *By-Laws for the Conduct of the Business of IFAD*, the Fund is authorized to cover the travel expenses of Executive Board members attending a meeting of the Board. It would therefore not be possible for IFAD under the present By-Laws to reimburse Executive Directors who come to Rome for Evaluation Committee meetings that are not linked to Executive Board meetings. The Governing Council, by a majority of two-thirds, has the authority to change the By-Laws of IFAD.

[5]   This is the estimate for the most costly scenario.

[6]   Respectively for the three de-linked sessions in April, September and October.