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## **Addendum to Management's response to the Peer Review of IFAD's Office of Evaluation and Evaluation Function**

Executive Board – Ninety-ninth Session  
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For: **Information**

## **Note to Executive Board members**

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, representatives are invited to contact the following focal point with any technical questions about this document before the session:

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# Addendum to Management's response to the Peer Review of IFAD's Office of Evaluation and Evaluation Function

## I. Introduction

1. This addendum complements the response by Management to the Peer Review of IFAD's Office of Evaluation and Evaluation Function dated 16 March 2010 (EB 2010/99/R.6/Add.2). The addendum has been prepared as a result of the decision taken by the Evaluation Committee on 1 April 2010 to invite IFAD Management to present the Executive Board with a revised version of the Management response, based on the Committee's discussions.
2. The changes proposed in this addendum relate to areas of disagreement regarding the recommendations of the peer review group. Therefore, following the Evaluation Committee discussions, Management proposes to delete paragraph 17 (on monitoring and evaluation [M&E]) and replace paragraph 28 (on the appointment and dismissal of the OE Director); paragraph 29 (performance review of the OE Director); paragraph 30 (recruitment of OE staff); and paragraph 34 (consultation regarding audits of OE) with new text, as provided below.
3. The following text that appeared as paragraph 17 is deleted:
 

"As noted by the panel, improving project monitoring and evaluation (M&E) is a complex task. In addition, adoption of a donor-driven extractive M&E system could run counter to the spirit of alignment with the national system. IFAD will reflect upon its role with respect to project M&E with this in mind."
4. The new paragraph 28 should read:
 

"IFAD Management supports the proposal for a single six-year, non-renewable term for the Director, OE (paragraph 32 (i)). With regard to the appointment, dismissal and annual performance review of the OE Director, IFAD Management considered the detailed human resource procedures recommended by the panel in annex I of the Peer Review Report and supported by the Evaluation Committee. Based on the material provided in the Peer Review report, IFAD Management agrees to the procedures, subject to changes in the text. The revised annex I, reflecting IFAD Management's proposed changes, is appended. The changes are aimed mainly at:

  - (i) providing IFAD Management with more latitude in nominating its representative on the search panel (by not stipulating the Associate Vice-President, Programmes);
  - (ii) proposing a way forward in the event of a difference of opinion between the search panel and the President regarding the panel's recommendation;
  - (iii) proposing an appropriate approach for making an offer to the recommended candidate while ensuring that the Evaluation Committee and the Executive Board are duly involved in the process;
  - (iv) adding a provision for communicating the decision of the Board on the recommendation made by the Evaluation Committee with respect to the dismissal of the OE Director; and
  - (v) proposing a more robust process for assessing the performance of the OE Director and for finalizing her/his annual performance review."

5. The new paragraph 29 should read:

“Similarly, with regard to the performance review of the OE Director, IFAD Management has proposed some changes as per annex I (attached). On the issue of grade and rank, IFAD Management agrees with the panel’s recommendation that the current rank of D2 for the Director, OE be retained.

6. The new paragraph 30 should read:

“IFAD Management supports the recommendation related to the harmonization of OE and IFAD practices regarding staff recruitment, appointment, and promotion, approval of waivers of consultants' fees and procurement (recommendation 2(v)). On delegating authority to the Director, OE to manage the recruitment process in OE, Management wishes to suggest that the recruitment process be undertaken by the OE Director in conformity with the relevant IFAD policies and procedures and by constituting a panel as recommended by the Peer Review Panel (paragraph 37) and that the OE Director, having followed these procedures, submit the recommendation for the formal approval of the President.”

7. The new paragraph 34 should read:

“On the recommendation that the Chair of the Audit Committee is to consult with the Evaluation Committee for any proposed audit of OE (recommendation 2(iv)), IFAD Management’s preference is to keep the oversight of financial management and the audit function consolidated under one body, in this case the Audit Committee. However, IFAD Management recognizes that this decision clearly falls within the purview of the Executive Board.”

## **Human resource procedures for the Office of Evaluation with revisions proposed by IFAD Management (in track-changes mode)**

### **Procedures for appointing Director OE**

1. Key features of the Panel's suggestions for the procedures to be followed for the selection of Director OE, endorsed by the Evaluation Committee, include:
  - A search panel would be composed of three members of the EC including the Chairperson (one from each list), two independent members with recognized evaluation experience (at least one of whom would have experience managing an evaluation department; ~~and the Associate Vice-President, Programmes; and a representative of Senior Management.~~
  - ~~IFAD Management The Director of Human Resources~~ would provide secretariat assistance to the search panel and advise on IFAD policies and procedures.
  - ~~Following the decision by t~~The President on the level of the position, if required, the search panel search panel would ~~recommend the level of the position,~~ develop the position description, ensure that the position is advertised, short list, interview and assess the applicants and rank the candidates in order of merit.
  - To help ensure good quality candidates, a professional head-hunting firm, if required, would help the search panel to identify outstanding candidates.
  - After the search panel completes its work, the Chair would consult with the President.
  - Then the Chair would present the report of the search panel and the results of the consultation with the President to the EC, which would decide on the candidate to be recommended to the Executive Board. In the event that the President does not agree with the candidate thus recommended by the Chair of the Evaluation Committee, the search process will be re-started.
  - After the Executive Board has confirmed the nomination, the Chair of the ~~Board/President of IFAD~~EC, advised and witnessed by the Chair of the EC and the Director of Human Resources, would make an offer to the candidate.
  - If the offer is accepted, the President would make the formal appointment.

### **Procedures for dismissing Director OE**

2. Key features of the Panel's suggestions for the procedures to be followed for dismissing Director OE, endorsed by the Evaluation Committee, include:
  - In the Panel's view, it is important to have a well developed separation mechanism, because the damage to IFAD resulting from a poorly performing Director OE who is allowed to serve for six years could be substantial.
  - IFAD needs to develop a dismissal policy that defines the reasons for dismissal, the steps to go through and the protection of due process for Director OE.
  - Dismissals are often a painful, emotional process. In most ECG members, dismissal for poor performance involves an elaborate process, which is based on clear feedback through the annual performance reviews, provides for coaching and an opportunity to improve performance, and for written documentation containing due notice about the reasons for dismissal with an opportunity for staff to contest the reasons. The Panel was advised that IFAD does not have a proven track record of dismissing staff for poor performance.
  - When the separation policy is developed, consideration should be given to using procedures developed in accordance with the agreed termination provision in IFAD's Human Resources Procedure Manual.<sup>1</sup>

<sup>1</sup> Section 11.4. Agreed Termination in chapter 11 on Separation in the Human Resources Procedures Manual.

- Although provision is made for ad hoc agreements between the President and a particular staff for agreed termination, details would need to be developed that are consistent with the independence of OE and a procedure for determining the amount of any payment involved.
- Normal IFAD procedures would be followed for any integrity investigations related to Director OE with the results considered by the EC in executive session;
- The EC Chair should consult with the President and seek advice from the Director of Human Resources and the General Counsel on legal, policy and procedural matters.
- After the [EC](#) Chair has received the endorsement of the EC for the dismissal of Director OE, a recommendation will be made to the [President and the Executive Board](#), based on a written or oral report, depending on the circumstances.
- [The decision taken by the Board will be duly communicated by the President to the Director of OE.](#)

### **Principles for the annual performance review of Director OE**

3. The Panel suggests the following principles for the annual performance review of Director OE, [which are also endorsed by the Evaluation Committee](#):
  - The performance of Director OE should be reviewed once a year.
  - The procedures used for the annual performance assessment and for determining the related salary increase of Director OE should be the same as those used for other [department-division](#) heads, including 360 degree assessment.<sup>2</sup>
  - The Chair [of EC](#) should consult with, and seek feedback from, the other members of the EC, ~~Executive Management– the President, the Vice President, the Associate Vice President, Programmes~~ and whoever else is deemed necessary by the Chair as input into the performance assessment. [The Chair will finalize the annual performance assessment in consultation with the President, and the President will sign, on behalf of the Fund, the annual performance report thus finalized.](#)
  - ~~For the annual performance review and salary increase,~~ the Chair [of EC](#) may seek advice from the Director of Human Resources on IFAD policies and procedures [at any time](#).

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<sup>2</sup> While the Panel appreciates the concern that a 360 degree review could include comments from people who have been subject to an OE evaluation and thus may not be fully objective, the same can apply to comments from direct reports of any manager. As long as the potential for possibly self-interested views are taken into account in the overall performance review, a 360 degree review need not be in conflict with OE independence.

