JLIFAD

Investing in rural people

Draft Revised IFAD Evaluation Policy 2020

Note to Evaluation Committee members

Focal points:

Technical questions:

Fabrizio Felloni
Interim Officer-in-Charge
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2361
e-mail: f.felloni@ifad.org

Donal Brown
Associate Vice-President
Programme Management Department
Tel: +39 06 5459 2448
e-mail: d.brown@ifad.org

Sara Savastano
Director
Research and Impact Assessment Division
Tel: +39 06 5459 2155
e-mail: s.savastano@ifad.org

Thomas Eriksson
Director
Operational Policy and Results Division
Tel.: +39 06 5459 2425
e-mail: t.eriksson@ifad.org

Dispatch of documentation:

Deirdre Mc Grenra
Chief
Institutional Governance and
Member Relations
Tel: +39 06 5459 2374
e-mail: gb@ifad.org

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Contents

Annexes

Abbreviations and acronyms

DEF	Development Effectiveness Framework
EC	Evaluation Committee
ECG	Evaluation Cooperation Group
EPR	external peer review
HRD	Human Resources Division
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
OECD-DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
SO	strategic objective
UNEG	United Nations Evaluation Group

Draft Revised IFAD Evaluation Policy 2020

I. Introduction

A. Rationale for a revised policy

1. The second independent external peer review (EPR)[1] of the IFAD evaluation function was conducted in 2019 by the Evaluation Cooperation Group (ECG). The review found that the overall structure and functioning of the evaluation system was on a par with comparator institutions and consistent with established professional standards. However, it highlighted the need to adapt to the changing environment and incorporate lessons from the past. The review underscored the opportunity to strengthen the strategic relevance of evaluation and thus enhance its contribution to IFAD results.

2. IFAD experience and an analysis of the existing evaluation policy showed the following shortcomings, also observed by the EPR: (i) the policy focused on enshrining the independence of the Independent Office of Evaluation of IFAD (IOE) and did not adequately cover mechanisms to strengthen self-evaluations, which are also a critical element of the evaluation architecture; (ii) it did not clearly define the roles and responsibilities of the Executive Board, IOE and Management; (iii) it did not clearly identify the strategic purpose served by evaluation and the basic underlying principles, while placing excessive emphasis on products and operational details; (iv) it did not set out the expected contribution of evaluation to institutional performance and the pathways to achieve it (i.e. it lacked a theory of change); and (v) while concentrating on strengthening accountability, it did not focus adequately on promoting learning to improve new projects, policies, strategies and business processes.

3. To address these shortcomings, the EPR recommended that IFAD revise its evaluation policy to strengthen the evaluation function. These revisions aim to: (i) address the evaluation function as a whole, encompassing both independent and self-evaluation; (ii) establish the core principles on which evaluation in IFAD rests and the core purposes evaluation is expected to serve; (iii) reaffirm IOE's structural and functional independence; (iv) fully engage all interested parties in revising the evaluation policy; (v) focus on key strategic and structural issues and avoid details on products and processes; (vi) reflect international standards and practices for evaluation established by ECG, the United Nations Evaluation Group (UNEG) and the Development Assistance Committee of the Organisation for Economic Co-operation and Development
(OECD-DAC); and (vii) identify the agreed responsibilities of the relevant IFAD governing bodies, Management and IOE.

4. The first evaluation policy of IFAD was approved by the Executive Board in 2003. In 2008, the Board agreed to a peer review of IFAD's IOE and the evaluation function, to be conducted by the ECG of the multilateral development banks. The 2003 evaluation policy was revised in 2011 based on the recommendations made in the peer review report presented to the Board in that year. The policy was further amended several times between 2013 and 2015 with regards to matters related to the Director and human resources of IOE.

5. IFAD has endeavoured to create a culture of results-based management and to bring innovative thinking on development effectiveness to the organization. Since the first evaluation policy and its amendments were approved, IFAD has launched a new agenda for results management, embodied in the Development Effectiveness Framework (DEF). Building on previous efforts to focus on results, the DEF – approved by the Executive Board in December 2016 – was intended to create the structure needed to facilitate the use of evidence in decisions on designing and

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[1] The independent EPR was discussed by the Evaluation Committee and approved by the Executive Board at its 127th session held in September 2019.

implementing projects by developing a culture of results. Its key components include self-evaluation and an impact assessment system that links project reporting to corporate reporting. A sharper focus on development effectiveness was proposed since adequately measuring results – from outputs to outcomes and impact – requires designing and implementing effective interventions.

6. As such, a revised evaluation policy is needed to guide evaluation in IFAD and to address the new challenges of monitoring and measuring the results and impact of IFAD support.

B. What is new in the revised policy

7. In line with the peer review, this revised policy is all-encompassing and addresses strengthening both the independent and self-evaluation functions, in addition to promoting complementarity and synergy between the two. This new policy therefore presents, for the first time, a comprehensive framework through which both types of evaluation will be planned, conducted and used.

8. This revised policy clarifies that accountability and learning are evaluation objectives and are embedded in a number of significant changes implemented over the recent past. IFAD has increasingly embraced a culture of evidence-based management to maximize development effectiveness, and evaluation (both independent and self) has a critical role to play in providing evidence to increase both learning and accountability. The revised policy, therefore, sets out the broad framework whereby evaluative evidence is produced and used within available resources. The policy emphasizes the effective use of evaluation products and learning from them. It will also ensure that the significant steps undertaken to create incentives and systems for evidence-based management contribute to a culture of learning.

9. The revised policy establishes, inter alia, core evaluation principles. Recognizing the importance of independent and self-evaluation working together to promote development effectiveness through synergy, building partnerships and collaboration is introduced as a core principle of evaluation. Usefulness, evaluability and value for money are also enshrined as core evaluation principles. These key principles form the foundation of a newly introduced theory of change that defines the institutional framework to strengthen the evaluation function.

10. Finally, the revised policy reflects the shared drive of Management and IOE to foster a culture of cooperation and consultation through harmonization of processes, coordinated work programming and regular exchanges in the course of conducting evaluations. Working jointly will ensure that IFAD's evaluation function maximizes its contribution to the ultimate objective of improved livelihoods, poverty reduction, and inclusive and sustainable transformation of rural areas, in line with IFAD's mandate and strategic framework.

II. Purpose, scope and audience

A. Goal and objectives

11. The overarching goal of the revised policy is to strengthen the evaluation function in IFAD. The evaluation function plays a central role in improving IFAD strategies and operations throughout their life cycle, by providing necessary evidence in a timely manner to decision makers. As such, a robust evaluation policy is key to enhancing the development and organizational effectiveness of the Fund.

12. The revised evaluation policy is in line with IFAD's other policies, strategies and priorities, including the DEF. It is also aligned with the United Nations 2030 Agenda principles of equity and "no one left behind" as it relates to gender, disability, age, ethnicity, health status and other socio-economic conditions. The policy recognizes IFAD's strategic objectives (SOs), as laid out in its Strategic Framework 2016-2025 and other key documents,[2] and the need to ensure a strong focus on targeting, inclusion and the mainstreaming themes of environment and climate change, gender, youth and nutrition.

13. In addition, the revised evaluation policy follows the guidance of ECG and UNEG as well as the practices of comparator international financial institutions and the United Nations development system with the inclusion of mechanisms to safeguard and strengthen the independence of IOE.

14. Evaluation is critical to evidence-based decision-making by governing bodies, Management, member governments and other development partners. It can support strengthened accountability, enhanced learning and a stronger results culture. Evaluation provides credible, useful evidence-based information that enables the timely incorporation of findings, recommendations and lessons into the decision-making processes of IFAD and stakeholders. It therefore contributes to knowledge management, learning and a culture of evidence-based management.

15. To support IFAD in achieving greater development effectiveness, evaluation has three core objectives:

- Promote accountability by providing an evidence-based assessment of results achieved through IFAD lending and non-lending support, in order to put in place the necessary corporate business model, policies, strategies and guidance as well as resources and capacities to achieve these results;

- Contribute to enhanced learning, knowledge management and transparent feedback mechanisms to improve current and future policies, strategies, programmes, projects and processes; and

- Promote a results culture, evidence-based planning and adaptive management across IFAD to encourage a focus on development results, learning and continuous quality improvement. To this end, the revised policy aims to strengthen IFAD's shift in focus from inputs and processes to development results.

16. IFAD distinguishes between two main evaluation modalities: independent evaluation and self-evaluation. Independent evaluation is conducted by an entity that is structurally, functionally and behaviourally independent from those responsible for the design and implementation of the intervention under review. Self-evaluation is conducted by internal entities under the aegis of Management in order to measure results and impact, thereby linking project reporting to corporate reporting. Self-evaluation is therefore conducted on the one hand by staff linked to the monitoring and evaluation (M&E) system that collects output indicators (core indicators), and on the other through impact assessments that measure the results of IFAD's interventions and their impact on beneficiaries.[3]

17. By promoting a learning and results culture, this policy seeks to foster demand for evaluation products and evidence by both Management and the Executive Board.

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[2] The Strategic Framework 2016-2025 contains three SOs: SO1: Increase poor rural people's productive capacities; SO2: Increase poor rural people's benefits from market participation; and SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities.

[3] IFAD has a new information and communication technology for development strategy that will ultimately contribute to render the evaluation function more efficient and cost-effective (based on achieving the value for money principle). Innovation can improve and systematize business processes related to results monitoring, in particular M&E systems and impact assessments, as well as contributing to knowledge management more broadly. In this respect, innovation will increasingly be embedded in the evaluation function (independent and self-evaluation) by accelerating knowledge management and improving development effectiveness.

This demand will in turn be reflected in the preparation and implementation of all evaluation work programmes.

18. This revised policy promotes the accountability of Management to the governing bodies for its performance in contributing to development results. Achieving development outcomes is a shared responsibility of IFAD, government counterparts and other development partners, each with specific roles and responsibilities. This policy focuses on the role and responsibilities of IFAD.

B. Scope

19. This evaluation policy covers IFAD's evaluation architecture as a whole. It clearly defines roles and responsibilities across the various components of the evaluation function, ensuring complementarity and avoiding duplication. It continues to promote the fundamental guiding principles of evaluation and reaffirms the independence of IOE.

20. This revised policy focuses on strategic issues and provides guidance in line with international standards and practices. In doing so, it recognizes the importance of strengthening evidence-based programming and the required enabling organizational framework as reflected in the IFAD corporate business model, policies, strategies and capacities.

21. As recommended by the 2019 EPR, this policy does not provide details on products, processes or methods that may need frequent updating. Similarly, it does not provide details on types of evaluations or the related methodologies and approaches. It does provide a framework for separate living documents (e.g. an evaluation manual) to guide independent and self-evaluations that will be aligned with the policy (see box 1). These separate guidance documents can be updated without requiring a revision of the evaluation policy.

Box 1
The revised policy and related guidance documents, as recommended by the EPR (2019)

The revised policy focuses on the higher-level SOs of evaluation at IFAD. It sets out the principles guiding both independent and self-evaluation.

An IOE evaluation strategy that outlines the medium-term direction for evaluation and bridges the policy and the evaluation work programme will be prepared after approval of this policy, in consultation with Management. The strategy would seek to align operational choices with policy, enable review and agreement on priorities and goals, and integrate experience and opportunities.

Management and IOE will collaboratively prepare the respective work programmes that deliver on the strategy.

Finally, a revised evaluation manual will provide detailed guidance to help implement the revised policy. It will include details on products, processes and methods and will be a living document that is regularly updated based on experience.

C. Audience

22. The revised policy is directly relevant to Management and staff involved in planning, conducting or using evaluations as well as the governing bodies, in particular the Executive Board and its advisory arm the Evaluation Committee. The revised policy is also relevant to all key stakeholders, including Member States, bilateral donors and beneficiaries.

III. Evaluation function

A. A theory of change to strengthen the evaluation function

23. Evaluation in IFAD helps strengthen planning and implementation by determining the relevance of the organization's development objectives and to what extent they are being met. The revised policy aims to strengthen the (independent and self) evaluation function of IFAD by establishing key principles, defining objectives, clarifying roles, functions and responsibilities, and ensuring evaluation feedback mechanisms.

24. Figure 1 shows the logic of the evaluation policy illustrated by a theory of change that highlights the evaluation objectives, principles and key stated in the policy and the institutional framework. The logic illustrated in the theory of change identifies the required inputs, and how these inputs lead to outputs and outcomes that, in turn, ensure the achievement of IFAD's mandate of improved livelihoods, poverty reduction, and inclusive and sustainable transformation of rural areas. Evaluation is crucial to enhance IFAD's development and organizational effectiveness as well as its contribution to development results. Evaluations of strategies, policies, management processes and operations, throughout the business model, also help strengthen its organizational effectiveness. Similarly, independent and self-evaluations of country strategies, programmes and operations facilitate strengthening development effectiveness. Such improvements rely on credible evidence being made available in a timely manner and systematically used by decision makers.

25. Independent and self-evaluation play a key role in providing pathways for inclusive and equitable transformation investments for country and project teams, through valuable lessons on what worked and what did not, and what led to successes and failures. These lessons are drawn from complementary qualitative and quantitative analytical work and monitoring carried out during design, implementation and ex post analysis of projects and country strategies. Both independent and self-evaluation provide important tools for learning and knowledge management with useful practical application at the strategic and operational levels, including during country strategic opportunities programme and project design. As such, the emergence of a holistic and well-connected evaluation system adds value to both parts of the system, and the overarching objective of supporting rural development outcomes.

26. The value of evaluations is maximized by enhancing their use and ensuring follow-up. It is vital to involve key stakeholders in selecting, planning, conducting and following up on evaluations. This enhances transparency, responsiveness, credibility, ownership of results and learning throughout the process, in addition to ensuring a feedback mechanism. Learning must be linked to IFAD's Knowledge Management Strategy.[4]
A two-way flow of global, regional and national knowledge from evidence-based independent and self-evaluations will inform the formulation of policies, strategies and operations, while the resulting experience will inform the national, regional and global knowledge base that is actively used by staff. Responsibilities for evidence-based learning need to be clarified, and mechanisms for such learning must be in place across all relevant Management units.

27. IOE and Management together review follow-up on evaluation recommendations to ensure that learning from independent and self-evaluation is systematically incorporated into future actions. It is important to have knowledge management tools in place to facilitate timely access to lessons learned. In order to enhance utilization, evaluative evidence from both independent and self-evaluations needs to be easily accessible in appropriate formats for the target audience. Similarly, learning from accountability mechanisms, such as implementation of the Management response to independent evaluations, is systematically monitored and reported. All key stakeholders, including Management and IOE, collaborate to strategically select evaluation topics, plan evaluations and the questions to be addressed, and conduct evaluations in such a way as to ensure ownership and validity of the findings generated.
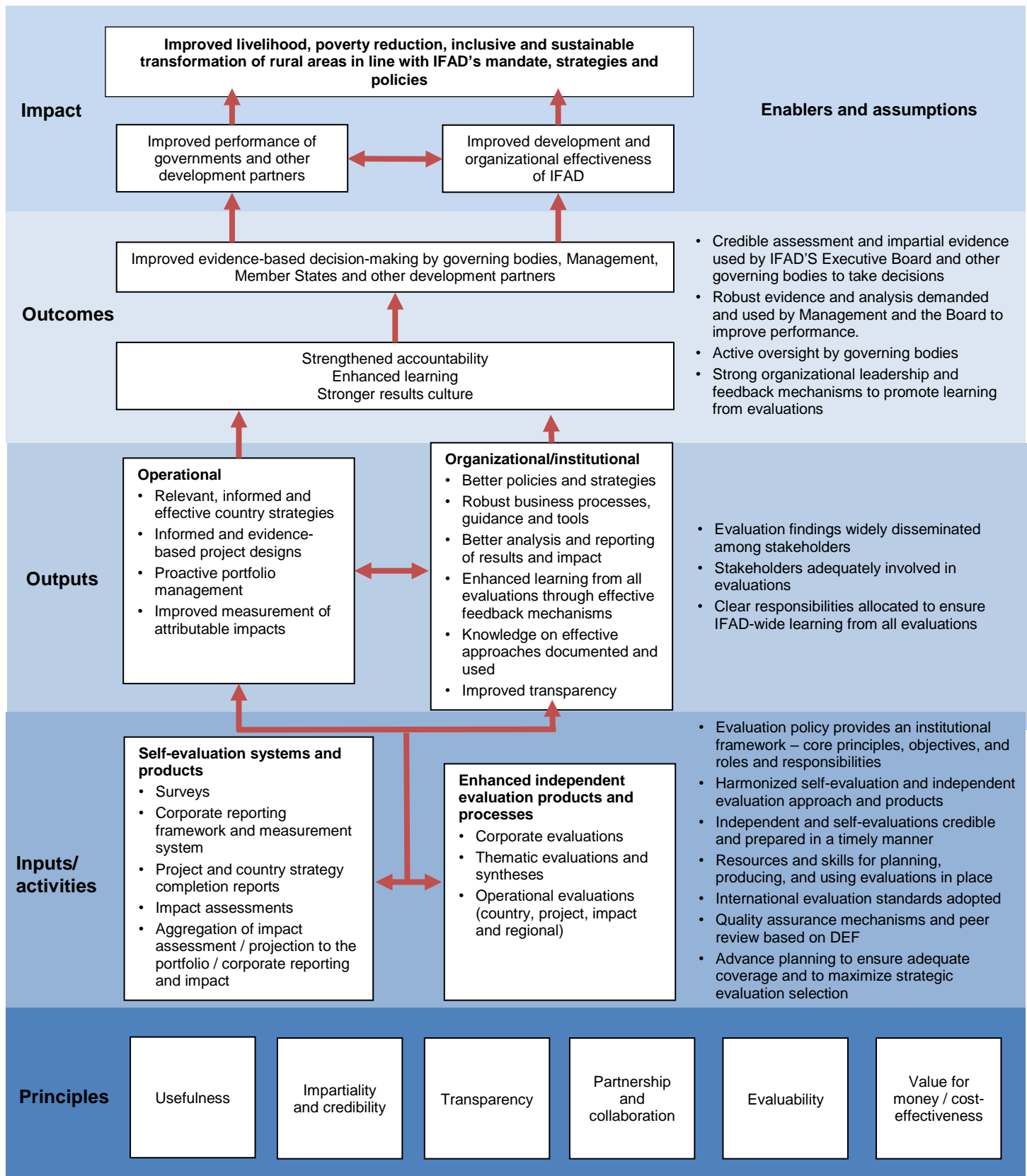
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[4] https://webapps.ifad.org/members/eb/126/docs/EB-2019-126-R-2-Rev-1.pdf.

28. Strong accountability, transparency and effective learning are accomplished most effectively and efficiently by complementary and mutually reinforcing systems of self-evaluation and independent evaluation.[5] This is ensured by enhanced evaluability and harmonized products, processes and systems. These outputs drive improved and informed decision-making by Management and the governing bodies, which lead to better performance by IFAD-supported operations and improved organizational effectiveness and efficiency.

29. Systematic use of evidence in decision-making is facilitated by a culture of results, sustained reflection and learning from evaluative findings, and strong accountability and oversight. This in turn requires oversight by the governing bodies, strong organizational leadership and robust feedback mechanisms to promote learning from evaluations.

30. Evaluations adhere to the international norms and standards, and the ethical principles, established by ECG, UNEG and OECD-DAC. Evaluators follow the IFAD Code of Conduct.

31. The main purpose of all evaluations is to strengthen accountability for results and learning from evidence. While all evaluations are guided by their specific objectives, typically they seek to determine the performance of interventions along criteria[6] such as relevance, coherence, effectiveness, efficiency, impact, sustainability and any others dictated by IFAD's mandate.

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[5] Evaluation differs from monitoring, which is defined by OECD-DAC as "a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds."

[6] Better Criteria for Better Evaluation: OECD/DAC Network on Development Effectiveness (2019).

Figure 1
IFAD evaluation: theory of change

Impact	**Enablers and assumptions**

Improved livelihood, poverty reduction, inclusive and sustainable transformation of rural areas in line with IFAD's mandate, strategies and policies

Improved performance of governments and other development partners ⟷ Improved development and organizational effectiveness of IFAD

Outcomes

Improved evidence-based decision-making by governing bodies, Management, Member States and other development partners

- Credible assessment and impartial evidence used by IFAD'S Executive Board and other governing bodies to take decisions
- Robust evidence and analysis demanded and used by Management and the Board to improve performance.
- Active oversight by governing bodies
- Strong organizational leadership and feedback mechanisms to promote learning from evaluations

Strengthened accountability
Enhanced learning
Stronger results culture

Outputs

Operational
- Relevant, informed and effective country strategies
- Informed and evidence-based project designs
- Proactive portfolio management
- Improved measurement of attributable impacts

Organizational/institutional
- Better policies and strategies
- Robust business processes, guidance and tools
- Better analysis and reporting of results and impact
- Enhanced learning from all evaluations through effective feedback mechanisms
- Knowledge on effective approaches documented and used
- Improved transparency

- Evaluation findings widely disseminated among stakeholders
- Stakeholders adequately involved in evaluations
- Clear responsibilities allocated to ensure IFAD-wide learning from all evaluations

Inputs/ activities

Self-evaluation systems and products
- Surveys
- Corporate reporting framework and measurement system
- Project and country strategy completion reports
- Impact assessments
- Aggregation of impact assessment / projection to the portfolio / corporate reporting and impact

Enhanced independent evaluation products and processes
- Corporate evaluations
- Thematic evaluations and syntheses
- Operational evaluations (country, project, impact and regional)

- Evaluation policy provides an institutional framework – core principles, objectives, and roles and responsibilities
- Harmonized self-evaluation and independent evaluation approach and products
- Independent and self-evaluations credible and prepared in a timely manner
- Resources and skills for planning, producing, and using evaluations in place
- International evaluation standards adopted
- Quality assurance mechanisms and peer review based on DEF
- Advance planning to ensure adequate coverage and to maximize strategic evaluation selection

Principles

| Usefulness | Impartiality and credibility | Transparency | Partnership and collaboration | Evaluability | Value for money / cost-effectiveness |

B. Self-evaluation

32. According to the OECD-DAC, a self-evaluation system is a combination of processes and products for the systematic, empirical, and transparent M&E of an ongoing or completed project, programme or strategy, conducted by the operations department in charge of the activity. The self-evaluation system enables IFAD to manage performance, report on results, and foster learning and knowledge-sharing.

33. IFAD's self-evaluation system is part of the IFAD-wide evaluation architecture. The self-evaluation system enables Management to fulfil its responsibility to report performance and results to the Executive Board, while providing necessary inputs to IOE to conduct validations of IFAD's self-evaluations. Beyond providing robust measurement of results for accountability, the self-evaluation system is also the basis for operational performance management and for learning and knowledge-sharing.

34. Self-evaluation is conducted by operational units responsible for the concerned intervention, as well as by other units tasked with assessing the impact of interventions, and thus falls under the aegis of Management. Self-evaluation is embedded in management processes, including quality assurance to help ensure evaluability of self-evaluation products.

35. IFAD's self-evaluation system is based on a series of products that operate at the stages of design, implementation and completion. Drawing on these tools, Management has several self-evaluation products, which capture performance at all stages of the country programme and project cycles, and impact upon the completion of projects or country strategies. All self-evaluations employ rigorous approaches to generate high-quality evidence of quality, performance and impact that can be attributed to investments. Within self-evaluation, rigorous ex post impact assessments are conducted on a project sample using non-experimental design, with approaches such as matching methods, difference-in-difference estimators, instrumental variable models and regression discontinuity designs.

36. Self-evaluation serves three important functions: to offer real-time feedback that enables Management to take immediate responsive actions to improve project design and implementation performance; to learn from projects and inform new project designs and completion reports; and to provide and report on the aggregate impact of operations for the corporate indicators laid out in the Strategic Framework by drawing on a critical mass of project-level impact assessments.

37. Self-evaluations include, in this regard, ex post impact assessments and systematic reviews conducted by research units within Management. These are subject to the same considerations of rigour as independent evaluations and are expected to meet IFAD's norms and quality standards for evaluations. They assess and measure the performance and impact of policies, strategies, country programmes and projects, business and implementation processes, and the extent to which these meet development objectives as well as corporate strategic goals.

38. Specific on-demand self-evaluations are conducted in response to requests from stakeholders and governing bodies, as well as to meet managerial and strategic needs to ensure development effectiveness.

39. As a result, self-evaluation should provide direct and timely feedback with the objective of ensuring evidence-based decision-making, learning and accountability within programme countries, implementing agencies and Management and to governing bodies. Findings of self-evaluations form the basis for Management's reports to the Executive Board on the results and impact of its operations. Further, IOE's independent evaluation system and products draw on data and products generated by the self-evaluation system. Self-evaluation by Management complements regular monitoring and results frameworks for each planned intervention.

C.   Independent evaluation

40.   Independent evaluation is conducted by IOE, an organizational unit that is structurally, functionally and behaviourally independent from those responsible for the design and implementation of the operations being evaluated. Independent evaluation aims to strengthen accountability and learning by conducting strategic, thematic, corporate, policy, programme and project evaluations, as well as by validating self-evaluation products. The validity of self-evaluations is corroborated and reinforced by IOE oversight through its validation process. IOE provides a range of products, some of which are directly mapped to self-evaluation products. The principles and operational rules governing the independent evaluation function are outlined below and in the annexes.

D.   Enhancing public access

41.   Evaluation findings are communicated based on the requirements and needs of the intended users. All (independent and self) evaluations and related documents submitted to the Executive Board (and the Evaluation Committee) are made accessible to the public as required by IFAD's Policy on the Disclosure of Documents (2010) and the principles of partnership and collaboration and transparency. Evaluation findings and recommendations are considered part of the quality assurance process for new operations and strategies; conversely, quality assurance findings can be reviewed and used as input into evaluations.

IV.   Principles

42.   The evaluation function at IFAD is driven by a set of six key principles drawn from the international norms and standards established by ECG, UNEG and OECD-DAC.

A.   Usefulness

43.   If evaluations are to be useful, they must be relevant, reliable and prepared in a timely manner to inform decision-making, generate learning or strengthen accountability for results. Usefulness is enhanced by evaluation quality and credibility and by close collaboration on the types and topics of evaluations to be conducted. Usefulness also relies on the work programme being demand-driven and
knowledge-gap informed and the prevalence of a culture of evidence-based decision-making and learning.

B.   Impartiality and credibility

44.   Impartiality and credibility are key for evaluations (independent and self) to achieve their intended impact. Evaluations need to be grounded in professional expertise and integrity, objectivity, rigorous approaches and methodologies, appropriate use of data (both qualitative and quantitative) and contextual knowledge. Credibility is embedded within the principle of impartiality and use of rigorous approaches. Evaluations are conducted by professionals who are technically competent in working towards the agreed dimensions of quality. To engender credibility, methodologies must be adapted to specific mandates but grounded in established internationally agreed standards. IFAD encourages the use of new, innovative approaches and methods.

C.   Transparency

45.   Transparency of evaluation processes and outputs is an important principle. Credibility and ownership are enhanced through a transparent and consultative process that begins with the planning phase and continues through the implementation of recommendations. Engagement with the evaluand and feedback from stakeholders on the rationale, evaluation methodology, evidence base, emerging findings, conclusions and recommendations are an integral part of the IFAD evaluation framework and facilitate replicability of evaluation results.

D. Partnership and collaboration

46. A collaborative approach consistent with the other principles (e.g. impartiality, credibility and independence) between evaluators, evaluands, Management and governing bodies is critical to: ensuring that evaluation is responsive; building shared ownership of results; improving learning across stakeholders; and increasing the probability of adoption of recommendations and subsequent implementation. The evaluation policy thus calls for building partnerships in the evaluation process. Partnership between Management and IOE ensures a common understanding of the work programme, norms, quality standards and methods across independent and
self-evaluation. With respect to independent evaluation, a constructive partnership between IOE and Management and partners, particularly recipient countries, is essential both for generating evaluation recommendations and for enhancing ownership and uptake.

E. Evaluability

47. Evaluability refers to the extent to which an activity or programme can be evaluated in a reliable and credible fashion and is central to a culture of results.[7] A strong focus on evaluability at the design stage facilitates monitoring and subsequent evaluation. It calls for the design of policies, strategies, programmes and projects to take into consideration the requirements of subsequent evidence-based evaluation.

F. Value for money and cost effectiveness

48. Value for money is important to maximize the development impact of aid by focusing on results as well as costs. This implies focusing on three dimensions: economy, efficiency and effectiveness.[8] Value for money is about finding the right balance among these three dimensions and cannot be assessed through any of these dimensions in isolation. The process of selection, planning, conduct, and feedback loop of both independent and self-evaluations should reflect these three value for money dimensions. In doing so, consideration needs to be given to proportionality in terms of the expected benefits deriving from an evaluation (and the different steps in conducting it) and its findings, relative to the cost of the evaluation. The evaluation function should therefore embrace the principle of cost effectiveness. These considerations underpin all evaluative work at IFAD while recognizing that quantifying benefits can be challenging, benefits may not be apparent immediately but rather come to be appreciated in the medium to long term, and priorities for evidence may vary among the different stakeholders.

V. Roles and responsibilities

49. Evaluation is a shared responsibility of the Executive Board, Management and IOE.

50. **The Executive Board** holds Management accountable for the performance and results of all IFAD activities, including through evaluation findings. It approves the evaluation policy and its amendments and is responsible for its implementation. It provides oversight and guidance on measures to strengthen the independent and self-evaluation functions and approves measures to encourage learning and enhance organizational performance and results that emerge from evaluations. In that context, it provides oversight to ensure that IOE findings and recommendations are adequately incorporated in future strategies, policies and programmes. With specific reference to IOE, the Executive Board: safeguards the independence of IOE (see section VI); approves and monitors the delivery of the IOE work programmes and recommends the corresponding budget for approval by the Governing Council; and appoints and dismisses the Director, IOE for cause.

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[7] OECD-DAC (2002): Glossary of Key Terms in Evaluation and Results Based Management.
[8] Economy: procuring inputs in the appropriate amounts and quality at the best price. Efficiency: how well the inputs are being used to produce outputs. Effectiveness: how well the outputs from an intervention are producing outcomes.

Finally, the Executive Board requests peer or external reviews of the evaluation function as appropriate.

51. **The Evaluation Committee** oversees the evaluation function on behalf of the Executive Board and advises the Board on evaluation matters, particularly on assessing the independent and self-evaluation functions and on measures to enhance organizational performance and results that emerge from evaluation. It monitors the implementation of the evaluation policy, makes recommendations to the Board and oversees implementation of IOE recommendations and agreed follow-up by Management. The Evaluation Committee reviews the IOE work programme and budget and makes recommendations to the Board; it also reviews selected evaluation documents (both independent and self-evaluations) to ensure learning and accountability from all evaluations. The Committee reviews the report of the search panel for the selection and appointment of the Director, IOE. The Committee Chairperson is also responsible for the annual performance appraisal of the Director, IOE.

52. **Management** is responsible for reporting on the performance and results of IFAD to the governing bodies. It ensures that all evaluations are used to maximize learning within the organization and inform future interventions including projects, policies, and strategies through adaptive learning approaches. In that respect, it responds to independent and self-evaluations and reports on the implementation of agreed recommendations. It is responsible for allocating adequate human and financial resources during project design and implementation to ensure that IFAD policies, strategies, programmes and projects are evaluable. Management establishes requirements and modalities for an effective self-evaluation system, in consultation with IOE, in order to avoid redundancy; ensures that self-evaluations are of high quality, adequately resourced and supported by methodological guidance; and reports periodically to the Executive Board on the status of self-evaluation. Management ensures respect of IOE's independence, consultation with IOE, and full disclosure of information and support necessary for IOE to conduct evaluations.

53. **IOE** reports to the Executive Board. It interacts systematically with the Evaluation Committee and its work is reviewed by the Committee as specified above. IOE provides independent assessments of IFAD performance and development effectiveness to the Board and Management through its evaluations, reporting and dissemination of findings. It develops a workplan through a consultative process establishing rationale, priorities, products and the necessary budget, and conducts evaluations engaging with key stakeholders during the evaluation process. In close consultation with Management, IOE sets norms and standards for evaluations in line with international standards promoted by evaluation networks (e.g. the DAC Network on Development Evaluation, UNEG, ECG) and professional associations. IOE reviews self-evaluations and may periodically evaluate the functioning of the evaluation system. It disseminates evaluation findings to Member States and key stakeholders in accordance with IFAD's Policy on the Disclosure of Documents (2010). Finally, IOE participates in external forums on evaluation, contributing to the discussion and updating and enhancing its own evaluative expertise.

VI. Independence and operational safeguards for IOE

54. Independence of judgment by IOE, underpinned by the principles that drive evaluation in IFAD, is essential to maximize the benefits of an evaluation system. It contributes to legitimacy and credibility, minimizes bias, and ensures that evaluations are free from external or internal influence or pressure as well as from perceived or real conflict of interest. This policy recognizes three key dimensions of independence that are fully upheld by IOE and selectively in self-evaluation:

55. **Behavioural independence** is the ability to produce candid, uncompromising and objective evaluations. Behavioural independence requires professional integrity and ethics, an ability to defend positions based on evidence and a lack of bias.

56. **Avoidance of conflict of interest** aims to ensure that prior, current and potential future professional and personal relationships and considerations do not influence evaluators' judgements or create the appearance of lack of objectivity.

57. **Organizational or structural independence** is particularly important to ensure that the process for conducting evaluations is not influenced by the decision makers responsible for the products and processes being evaluated. It also allows IOE to define its own work programmes, design its own processes, reach its own decisions, define products, disseminate findings and administer resources without interference. While IOE remains an integral part of IFAD, and IOE staff are IFAD staff members subject to the same staff rules and policies, this policy spells out the specific processes and mechanisms in place to protect its independence. This aspect relates only to IOE and is defined further below.

58. IFAD has put in place a number of processes[9] to protect the independence of judgment of IOE (see also annexes):

59. **IOE work programme and budget**. IOE prepares its work programme, informed by discussions with key stakeholders, including Management, to maximize its usefulness. The annual programme is reviewed by the Evaluation Committee and approved by the Executive Board. The budget is reviewed by the Audit Committee and the Board and recommended for approval to the Governing Council.

60. **Conduct of evaluations, reporting and disclosure**. The responsibility for the conduct of independent evaluations rests exclusively with IOE. IOE actively engages with key partners, including Management, at the main stages of the evaluation process and pays attention to the learning loop on evaluation findings and recommendations. Management ensures that IOE has access to any source of information or documents within the organization and the projects that it supports. Management actively cooperates in independent evaluation processes managed by IOE.

61. Before issuing a report, IOE shares it with Management and, whenever applicable, with the concerned country authorities, cofinanciers and key stakeholders (as appropriate) in order to check facts and accuracy and obtain comments. Draft reports are revised to correct factual errors or inaccuracies pointed out during the discussion process. Reports may also incorporate, by means of a note in the report, judgements that differ from those of the evaluation team. Comments not incorporated in the final evaluation report can be provided separately and included as an appendix to the report.

62. The Director, IOE has the authority to issue and publish final evaluation reports without prior clearance from anyone outside IOE.

63. IOE presents selected evaluation reports to the Evaluation Committee and the Executive Board, following their guidance. The Director and staff of IOE have the authority to communicate and interact directly with members of the Board, with in-country partners, and with others outside the Fund, as appropriate for the undertaking of evaluations.

64. Final evaluation reports are disclosed to the public at large. IOE maintains a dedicated web page and engages in communication activities (reports, briefs, blogs, videos, podcasts, social media, in-person and virtual events and press releases) without requiring external clearance. IOE seeks the support of IFAD's Communications Division to draw on its expertise and network.

65. **Selection, appointment, dismissal and performance assessment of the Director, IOE**. The selection and appointment of the Director, IOE is the responsibility of the Executive Board. The Director, IOE is selected for a single, non-renewable period of six years, with terms equivalent to D-2 rank positions at

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[9] These processes are covered in this policy in order to embed the concept of the independence of judgment of IOE, in line with the UNEG and ECG standards and guidance on policies.

IFAD. The recruitment process for the Director starts at least six months before the expiration of the incumbent Director's contract or upon receipt of the incumbent's resignation, whichever is earlier. The Director, IOE is not eligible for other staff positions in IFAD upon completion of the term. The Chairperson of the Evaluation Committee is responsible for the annual review of the performance of the Director, IOE. The Board has the sole authority to terminate the appointment of the Director, IOE. The detailed procedures for the selection, appointment, and termination of the Director, IOE are presented in annex I.

66. If the position of Director falls vacant, the Deputy Director is appointed as ad interim Director. The ad interim Director is vested with the delegated authorities of the Director until the new Director officially takes up her/his appointment. Should the Deputy Director not be available to serve, the Chairperson of the Evaluation Committee, in consultation with the President, will appoint one of the senior Evaluation Officers to serve as temporary ad interim Director, with the same vested authorities as mentioned above. If a longer period of ad interim functions is foreseen or required, the ad interim Director will be identified and appointed by the Chairperson of the Evaluation Committee.

67. **IOE staff and consultants.** Subject to the budgetary appropriations approved by the Governing Council and the work programme approved by the Executive Board, the Director, IOE determines the size, organizes and directs the workforce of IOE. If required, the Director, IOE will decide on the location of IOE positions outside headquarters in consultation with the President of IFAD. The Director, IOE has delegated authority to make personnel and operational decisions concerning IOE staff and consultants in accordance with the provisions contained in this policy as well as other applicable IFAD rules covering human resources. The Director, IOE and Management encourage voluntary staff exchanges to foster cross-fertilization of knowledge.

68. IOE staff are IFAD staff and subject to IFAD staff rules, policies and procedures. IOE staff are entitled to seek employment in other units of IFAD. The Director, IOE is responsible for assessing the performance of IOE staff in accordance with the applicable performance procedures and for recommending their promotion, if applicable, in line with IFAD applicable rules and procedures. Performance shall be rated as per IFAD standard procedures. Termination of appointment of IOE staff, for any reason, follows standard IFAD rules and procedures and the decision rests with the President – with the exception of the Director, which will be done in accordance with the procedures stated in this policy. To protect independence, the appointment of IOE staff follows specific procedures presented in annex II.

69. The Director, IOE is authorized to engage the services of consultants and other vendors deemed necessary for the performance of IOE functions. IOE has the autonomy to formulate the terms of reference for consultants, identify the most suitable consultants and supervise their work.

70. **Audit and investigation.** IOE abides by IFAD accounting and auditing standards. IOE's budget and expenditure are included in the regular annual external audit of IFAD's accounts. For any specific audit of IOE proposed by Management, Management consults with the Evaluation Committee, which, in consultation with the Chairperson of the Audit Committee, may agree to the proposed audit, veto the proposed audit or prescribe an external audit in lieu of an audit undertaken by the Office of Audit and Oversight. The President has the right to appeal to the Executive Board if Management's proposal is rejected.

71. The Director and staff of IOE are held to the same integrity standards and conduct as all other IFAD staff, and subject to misconduct investigations if the need arises. The President has the authority to initiate investigations through the Office of Audit and Oversight of the activities or conduct of the Director of IOE, with the investigation results considered by the Executive Board, which will make the final decision on any disciplinary measure. Unless otherwise decided by the Board, the

determination of any disciplinary measure to be imposed rests with the President, with the exception of dismissal and summary dismissal, which is decided by the Board. Investigations into the conduct and activities of all other IOE staff are initiated and conducted in accordance with the applicable rules and procedures for IFAD staff, including recommendation by the Sanctions Committee and final decision by the President.

VII. Continuous improvement of the evaluation function

72. IFAD is committed to strengthening its evaluation function. Periodic reviews of self-evaluations are conducted by Management, and of independent evaluations by IOE, in consultation with the Evaluation Committee. An external review of the implementation of the evaluation policy is conducted every five to six years. As recommended by the Evaluation Committee and approved by the Executive Board, external reviews of the IFAD evaluation function may be conducted by peers (e.g. ECG and UNEG) or through an independent external arrangement.

VIII. Implementation of the policy

73. This policy will be implemented through detailed guidance provided in a revised evaluation manual that establishes key guidelines for methods and processes that directly shape the way evaluation work is conducted. The revised evaluation manual will encompass evaluation issues and processes institution-wide (not only IOE-specific), reflect the revised evaluation policy, products, processes and methods, results and performance initiatives, harmonization agreement and the new results framework. Clarity, simplicity and a culture of collaboration will be guiding objectives. IOE and Management will revise the evaluation manual in a collaborative manner coordinated by IOE. In addition, as recommended by the EPR, IOE will prepare a multi-year evaluation strategy, in consultation with Management and for Executive Board approval.

Detailed procedures to select, appoint and dismiss the Director, IOE

A.   Selection and appointment of the Director, IOE

1.   The selection process is led by a search panel consisting of three Executive Board members who, for the duration of the search panel process, are neither members of the Evaluation Committee nor serving as Convenors of their respective Lists and/or sub-Lists (one each from Lists A, B and C and nominated by the Convenors of the respective Lists), and two independent experts identified by the Evaluation Committee with recognized evaluation experience (at least one of whom with experience managing an independent evaluation department). A representative of IFAD's Senior Management participates in the panel as a non-voting member. The Executive Board search panel members choose a chairperson who is neither one of the independent experts nor the Management representative.

2.   Management provides administrative and legal support and advice to the search panel. Such support and the recruitment process and procedures are consistent with established IFAD policies, rules and procedures to the extent that they are not superseded by the provisions of the evaluation policy.

3.   The search panel develops the position description and ensures that the position is advertised. A professional headhunting firm may be engaged to help ensure that a number of well-qualified candidates are provided to the panel. The search panel decides whether to engage a professional headhunting firm and approve the selection of the firm.

4.   From the applicants obtained either through advertising or a professional headhunting firm or both, the search panel draws up a shortlist of candidates, interviews and assesses them, and ranks them in order of merit.

5.   The search panel requests the Human Resources Division (HRD) to verify that the academic and professional credentials of those candidates shortlisted for further consideration are valid before proceeding with its assessment of the shortlisted candidates. Subject to their agreement, personal and professional references of shortlisted candidates are checked at this stage by HRD or the professional headhunting firm at the search panel's direction. Otherwise, the search panel requests HRD or the professional headhunting firm to carry out reference checks after the search panel has identified its preferred candidate, with the results made available to the search panel before it completes its work.

6.   After the search panel completes its work, the chairperson of the panel consults with the IFAD President to obtain her/his views with respect to the recommendations of the search panel.

7.   The search panel then prepares a report on its work, which the chairperson of the search panel presents to a special dedicated session of the Evaluation Committee. This report clearly states the views of the President with respect to the suitability of the recommended candidates, the order in which they are ranked and any concern the President may have about the candidates. Thereafter, the Committee endeavours to arrive at a consensus on the ranking of candidates in order to present in the Committee's report to the Executive Board, as far as possible, the unanimous views of Committee members. In the event the Committee cannot reach a consensus, it provides, along with the list of candidates, a report setting out the different views expressed and an explanation of why it has been unable to reach agreement or, if it deems none of the candidates qualified, why the search process should be restarted. This report, approved by all participating Committee members, constitutes the official record of the Committee meeting. Reporting to the Board on this matter shall be governed by rule 2.3 of the Terms of Reference and Rules of Procedure of the Evaluation Committee. For the purposes of the Committee

meeting(s) dedicated to consideration of the search panel's report, rule 2.5 of the Terms of Reference and Rules of procedure of the Evaluation Committee is suspended.

8.   The Executive Board deliberates on the suitability of the candidates submitted by the Evaluation Committee, taking into due account the President's views. The Board may decide to endorse the Committee's recommendation, select a different candidate from among those proposed by the Committee, or request that the Committee recommence the search process if it concludes that none of the candidates are suitably qualified.

9.   After the Executive Board has taken a decision on the candidate to select as Director, IOE, the President or his/her representative makes an employment offer to the candidate and the President makes the formal appointment.

10. In the process of recruiting and selecting the Director of IOE, search panel members must avoid any situation that poses an actual conflict or the potential for or the appearance of a conflict between their individual interests and the performance of their official duties. Considerations for identifying and handling conflicts of interest are set out in section C below.

B. Grounds and procedures for termination of appointment of the Director, IOE

11. The Executive Board may terminate the appointment of Director, IOE on one of the following grounds, which, in the case of a staff member of IFAD, would warrant the staff member's termination of appointment:

(i)   Dismissal or summary dismissal, in case of serious unsatisfactory conduct;

(ii) Abandonment of position, including not having taken up the position to which s/he is assigned;

(iii) Underperformance;

(iv) Incapacity to perform his/her duties for health reasons;

(v)   Exceptionally and for unforeseen and justified circumstances, such as convincing evidence of sexual harassment, sexual exploitation and abuse, the discovery of unknown facts, the provision of misleading or untruthful information by the candidate after the letter of appointment has been signed and before the staff reports to duty; and

(vi) Having ceased to be a national of a Member of the Fund.

12. In any event, termination of appointment would entail written documentation containing an explanation of the reasons for termination and providing for the applicable notice period – except in the case of summary dismissal.

13. Unless specifically decided otherwise, the termination of appointment rules, regulations and procedures applicable to IFAD staff will be followed.

14. The recommendation for termination of appointment is made to the Executive Board by the Evaluation Committee, after hearing the person concerned and seeking the advice of the President on the legal, administrative and other relevant aspects of the matter.

15. The decision taken by the Executive Board is duly communicated by the President to the Director, IOE.

16. Normal IFAD procedures are followed for any misconduct investigations related to the Director, IOE with the results considered and decided on by the Executive Board. Following the Board decision, and unless otherwise decided by the Board, the President determines the appropriate disciplinary measures, if any, in line with

the applicable rules and procedures followed for all other IFAD staff, with the exception of dismissal and summary dismissal, which is decided by the Board.

C. Considerations for identifying and handling conflicts of interest in the selection of the Director, IOE

17. An actual conflict of interest involves a conflict between a search panel member's official duties as part of the recruitment and selection process and his/her individual interests that could improperly influence the performance of those official duties. A potential or apparent conflict of interest arises when it could reasonably be perceived that a search panel member's individual interests could improperly influence the performance of his/her official duties, even if this is not, in fact, the case.

18. Specifically, search panel members shall avoid any action which might result in, or create the potential for or the appearance of:

(i) Giving unwarranted preferential or prejudicial treatment to any organization or person;

(ii) Impeding the efficiency of the recruitment and selection process;

(iii) Losing independence or impartiality of action;

(iv) Affecting adversely the confidence of Member States or the public in the integrity of IFAD.

19. If an actual, potential or apparent conflict arises, the search panel member shall promptly withdraw from participation in the recruitment and selection process and so communicate in writing to the three List Convenors and the chairperson of the search panel. In this communication, the search panel member shall set out the actual, potential or apparent conflict of interest and seek the List Convenors' determination as to whether he/she should recuse himself/herself from the recruitment and selection process.

20. If the Convenors determine that an actual conflict of interest exists, the search panel member shall continue with such recusal. If the Convenors determine that a potential or apparent conflict of interest exists, such recusal shall be required where necessary in the interests of IFAD. If necessary, a replacement for the search panel member who has withdrawn shall be nominated by the appropriate List(s) or, if the recused member was an independent external expert, the Evaluation Committee will select a new independent expert.

21. Any member of the search panel may also communicate in writing to the Convenors and chairperson of the search panel if he/she believes that another member of the search panel should recuse himself/herself because of an actual, potential or apparent conflict of interest. Following consultation with the search panel member concerned, the procedure set out in paragraph 20 above will be followed.

Specific procedures for the hiring of IOE staff members

1. For the appointment of IOE staff (except the Deputy Director):

    (i)   The Director of IOE constitutes an interview panel chaired by the IOE Deputy Director or another IOE senior staff member (non-voting) chair. In addition to the chair, the panel includes the following members: (i) a representative from the Programme Management Department; (ii) a representative from HRD; (iii) a representative from IOE (hiring manager); (iv) an external evaluation expert (only for professional staff recruitment); and (v) a representative of the staff association (as a non-voting observer).

    (ii) Before the report of the interview panel is forwarded to the Director of IOE, the President establishes a due diligence board tasked to ensure that the appointment process has adequately followed the procedures laid down in this evaluation policy as well as applicable IFAD rules and procedures. The due diligence process is restricted to ensuring that the required rules have been followed in the key steps of the recruitment process.

    (iii) Except in such cases where the outcome of the due diligence process requires remedial measures, the Director of IOE takes a decision on the recommendation of the interview panel and conveys the same to the President who accordingly instructs the Director, HRD to extend an offer of appointment.

2. For the appointment of the Deputy Director of IOE, the same provisions apply as for all IOE staff outlined in the paragraph above, with the following adjustments:

    (i)   In consultation with the Director of HRD, the Director of IOE selects a recognized external evaluation expert to chair the IOE interview panel.

    (ii) There is no IOE representative in the panel.

    (iii) Before taking his/her decision, the Director of IOE consults with the President and, at his discretion, with any member of Management, to seek their views on the shortlisted candidates.