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Enabling poor rural people
to overcome poverty

Peer Review of the Office of Evaluation

Evaluation Committee — Fifty-seventh Session
Rome, 20-21 July 2009

For: **Review**

Note to Evaluation Committee members

To make the best use of time available at Evaluation Committee sessions, Directors are invited to contact the below focal points with any technical questions about this document before the session. In this regard, kindly address your queries to the Chairperson of the Evaluation Cooperation Group with copy to the Vice Chairperson:

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Introduction

1. In line with the decision of the IFAD Executive Board during its 95th session in December 2008, the Evaluation Co-operation Group (ECG) of the multilateral development banks has been entrusted with the undertaking of a peer review of IFAD's independent Office of Evaluation (OE) and IFAD's evaluation function.
2. This approach paper, prepared by the ECG, constitutes the overarching Terms of Reference for the Review Exercise. As per the request of the Committee, and prior to its consideration by the Board in its 97th session, this document is being submitted by the ECG for review by the Evaluation Committee during its 57th session, with the aim of discussing the exercise's main objectives, scope and process, methodology and timeline, and other related information.

**EVALUATION COOPERATION GROUP OF THE MULTILATERAL
DEVELOPMENT BANKS**

**Peer Review of the International Fund for Agricultural Development's
Independent Office of Evaluation
and
IFAD's Evaluation Function**

Review Approach Paper

July 2009

Table of Contents

	Acronyms and Abbreviations	ii
1.	BACKGROUND TO THE REVIEW	1
2.	OBJECTIVE, SCOPE AND PROCESS	1
2.1	Objective and Scope	1
2.2	Review Process	2
3.	METHODOLOGY AND FRAMEWORK	3
3.1	The Concept of Peer Review	3
3.2	Key Questions and Assessment Criteria	4
3.3	Sources of Information	5
4.	MAIN TASKS IN THREE PHASES	6
4.1	Preparatory Phase	6
4.2	Consultation Phase	7
4.3	Assessment Phase: Concluding Steps	8
5.	GOVERNANCE	8
6.	REVIEW PANEL AND SUPPORTING CONSULTANTS	9
7.	PROPOSED SCHEDULE	9
8.	BUDGET	10
ANNEXES		
I	OE Results Measurement Framework	11
II	ECG Questionnaire for the Assessment of the Evaluation Function	12
III	OECD-DAC Principles for the Evaluation of Development Assistance	15
IV	Relation between the OECD-DAC Principles for the Evaluation of Development Assistance, the ECG Approach, IFAD Evaluation Policy and OE's reference documents	18
V	Number of OE's Evaluation and Communication Products, 2003-2009	19
VI	IFAD's Self-evaluation Documents	20
VII	Start-up List of IFAD Documents for Review	21
VIII	Preparatory Note for Independent Review Exercise of IFAD's Evaluation Office and Evaluation Function through the Application of ECG's Review Framework for the Evaluation Function, June 2009	23
IX	Review Framework for the Evaluation Function in Multilateral Development Banks, March 2009	38

Acronyms and Abbreviations

ACP	Agreement at Completion Point
AsDB	Asian Development Bank
CLP	Core Learning Partnership
COSOP	Country Strategic Opportunities Programme
EB	IFAD's Executive Board
EC	IFAD's Evaluation Committee
ECG	Evaluation Cooperation Group
GPS	Good Practice Standards
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
OE	Office of Evaluation (IFAD)
OECD-DAC	Organization for Economic Cooperation and Development – Development Assistance Committee
PMD	Programme Management Department (IFAD)
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
RIMS	Results and Impact Management System
RAP	Review Approach Paper
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group

Peer Review of the International Fund for Agricultural Development's Independent Office of Evaluation and IFAD's Evaluation Function

Review Approach Paper

1. BACKGROUND TO THE REVIEW

1. In December 2008, the Executive Board of IFAD instructed OE to plan for an external Peer Review of its effectiveness and usefulness. In addition to assessing OE's performance, IFAD's Board decided that the peer review would also review the current IFAD Evaluation Policy, the self-evaluation maintained by IFAD Management as well as the oversight function of the Evaluation Committee with respect to evaluation. While recognising the hybrid nature of IFAD, as both an international financial institution and a UN specialised agency, the Board decided that the review be undertaken by the Evaluation Cooperation Group (ECG)¹ of the Multilateral Development Banks, with the understanding that the review would adequately address the UN dimension of IFAD.²

2. This Approach Paper constitutes the overarching Terms of Reference for the Review Exercise and will be supplemented as required by the Inception Report (see para 10). The Approach Paper has been prepared based on three basic documents that set out the main elements of the Peer Review. These are:

- a) Proposal to conduct a Peer Review of IFAD's Independent Office of Evaluation and IFAD's Evaluation Function.³
- b) Preparatory note for the Independent Review Exercise of IFAD's Evaluation Office and Evaluation Function through the application of ECG's Review Framework for the Evaluation Function⁴, June 2009.
- c) ECG's Review Framework for the Evaluation Function in Multilateral Development Banks, November 2008.⁵

2. OBJECTIVE, SCOPE AND PROCESS

2.1 Objective and Scope

4. The *main objective* of the Review is to assess the adequacy and performance of IFAD's Evaluation Function with the aim of strengthening its contribution to IFAD's development effectiveness.

5. The *scope of the Review* extends in two main directions, namely:

¹ The ECG was established in 1996 by the evaluation departments of the Multilateral Development Banks (MDBs) in response to a call for the harmonization of evaluation methodologies, performance indicators and criteria. Representatives of the Evaluation Network of the Organization for Economic Cooperation and Development-Development Assistance Committee (OECD-DAC) and the United Nations Evaluation Group (UNEG) attend as observers. IFAD, through OE, also has observer status in the ECG. IFAD/OE was admitted to ECG with observer status in April 2008, pending its consideration as a full member in the future.

² See paragraph 30.

³ Contained in para 106 and Annex XV of the [Programme of Work, Programme Development Financing Facility and Administrative and Capital budgets of IFAD and the Office of Evaluation for 2009](#) approved by IFAD's Executive Board in December 2008.

⁴ See Annex VIII.

⁵ See Annex IX.

- (a) review of OE performance, including the quality of its evaluation products, methodology and processes; and
- (b) review of the content and application of the current IFAD Evaluation Policy.⁶

6. The review of the IFAD Evaluation Policy would require assessment of two other elements, which, together with OE, make up the evaluation system of IFAD, namely:

(c) review of the self-evaluation system maintained by IFAD Management; and

(d) as requested by the Board, review how effectively the Evaluation Committee has discharged its responsibilities, as captured in its Terms of Reference⁷, in relation to i) ensure full compliance with and implementation of IFAD's Evaluation Policy; ii) oversee that both OE's independent evaluation work as well as IFAD's self-evaluation activities undertaken by IFAD Management are relevant and carried out effectively and efficiently; and iii) contributing to the learning loop of integrating the lessons from OE evaluations into operational activities as well as policies and strategies.

7. The Review will be expected to produce a set of *recommendations in relation to points (a) to (d)* above.

8. The current IFAD Evaluation Policy was approved by the Executive Board of IFAD in April 2003, when OE was reoriented as an independent evaluation outfit. Since then, OE has been reporting to the Executive Board rather than the President of IFAD. Other aspects of the independence of OE are described in the IFAD Evaluation Policy, the concluding pages of which describe how the policy was brought into effect gradually during 2003 and subsequently. Moreover, it took OE some time to standardize an evaluation methodology in line with the demanding requirements set forth in the Evaluation Policy. The evaluation reports and associated products that were produced during 2003/2004 do not adequately reflect the changes that were called for by the Evaluation Policy and finally implemented after a period of transition. In December 2004 the Executive Board approved the new Terms of Reference and Rules of Procedures of the IFAD Evaluation Committee to bring them in line with the Evaluation Policy. IFAD's self-evaluation function evolved, following the approval of the Evaluation Policy, into a systematic instrument, especially after the conclusion of the harmonization agreement with OE.⁸ Therefore, it is suggested for the review to conduct its analysis covering the period starting 1 January 2005.

2.2 Review Process

9. The Review process will *follow the approach adopted by the Evaluation Cooperation Group (ECG)* for conducting peer reviews of the evaluation function of its member organizations. This framework allows the necessary flexibility to adapt the review approach to the special requirements of the entity being reviewed. ECG's approach is described in a document called "Review Framework for the Evaluation Function in Multilateral Development Banks," published in March 2009. In the remainder of this paper, the ECG document will be referred to by the shorthand expression "the ECG Approach."

⁶ The [IFAD Evaluation Policy](#) approved by the Executive Board in April 2003, was brought into effect by means of a President's Bulletin issued by the President of IFAD in December 2003, which established the operational arrangements for implementing the policy. Thus, the President's Bulletin should be considered as an integral part of the policy.

⁷ [Terms of Reference and Rules of Procedure of the Evaluation Committee of the Executive Board](#), December 2004.

⁸ Agreement between PMD and OE on the Harmonisation of Self-evaluation and Independent Evaluation Systems of IFAD, 6 April 2006.

10. The ECG Approach calls for a three-phase Review process. The three phases are introduced as follows, with specific reference to IFAD, and further elaborated below in Section 4:

- (a) The *preparatory phase* would include the preparation and approval of an Approach Paper, the establishment of the Review Panel and the selection of consultants who would report to the Panel and provide much of the level of effort for the Review⁹. During this phase, OE and IFAD Management will be expected to undertake a background analysis and a self-assessment of the performance and quality of their evaluation work. The preparatory phase would conclude with an Inception Workshop described below.

Following the ECG Approach, a draft of the Review Approach Paper (RAP) will be prepared by the ECG with inputs by OE and IFAD Management. The Chair of the Review Panel will finalize the RAP after obtaining inputs and comments from the Chair of the ECG. The RAP will then be presented to the Evaluation Committee for its review. Finally, the Evaluation Committee will recommend it for approval to the Executive Board.

- (b) The *consultation phase* that follows would be for the Review Panel to undertake detailed assessment, consultation between the Review Panel and stakeholders in IFAD and a selection of member countries' representatives as required and the preparation of the first draft final report. The draft Review Report will be shared with IFAD Management and OE for comments.
- (c) The final phase, called the *assessment phase*, would be for the Evaluation Committee and the Executive Board to review the final report and take any decisions they consider appropriate.

3. METHODOLOGY AND FRAMEWORK

3.1 The Concept of Peer Review

11. The *methodology and framework for the Review is based on the ECG Approach*, which revolves around the concept of peer review. This approach is based on a number of parameters. Of particular importance are the following:

- (a) The Review is a systematic examination and assessment of the performance of one institution by another institution that has a similar mandate and a set of basic principles, policies and way of working.
- (b) The goal is to help the reviewed institution improve its policy making, adopt best practices, and comply with established standards and principles.
- (c) The Review is conducted on a non-adversarial basis. It relies heavily on mutual trust among the institutions involved in the Review and their shared confidence in the framework.
- (d) Reviews are designed to create, through this reciprocal evaluation process, a system of mutual accountability and an independent external review mechanism that serves Executive Directors and member countries.
- (e) While it is important that the Review panel to be established, benefits from the experience of the Evaluation Heads of the participating ECG members, the credibility of such a review would be enhanced by including in the Panel external peers from the development evaluation community.

⁹ The composition and roles of the Review Panel and the consultants' team are described later in this paper.

- (f) The Review extends to all the evaluation activities of the institution in which it is undertaken. The content and application of the existing evaluation policy is at the core of the Review.
- (g) Since part of the evaluation activities are carried out by the management through self-evaluation, the Review could also extend (as in the case of the IFAD Review) to self-evaluation.
- (h) The Review will assess the degree to which the good practice standards (GPSs) developed by the ECG are used in areas such as evaluating projects, country strategies and programmes, technical cooperation/assistance and policy based lending.
- (i) The Review also examines the consistency and coherence of evaluation with respect to IFAD's own policies and mandate.
- (j) The Executive Board, through the Evaluation Committee, will be the main client for the Review and the recipient of the final report on the Review.

12. According to the ECG Approach, "The OECD DAC evaluation network's guidelines for the peer review of multilateral organizations have been applied by the UN Evaluation Group rather than in the MDBs. The core evaluation question for such peer reviews is: Are the agency's evaluation function and its products independent, credible, and useful for learning and accountability purposes, as tested against accepted international standards by a panel of evaluation peers?" Relevant international standards include the Norms and Standards of the United Nations Evaluation Group (UNEG), which may also be useful for the present Review.¹⁰ The ECG Approach, however, assesses performance much more broadly than implied by the core evaluation question cited above. This is reflected, in part, in the 57 questions contained in the questionnaire that is integral to the ECG Approach. As illustrated later in this section, these questions relate to all the OECD-DAC principles for the evaluation of development assistance,¹¹ and also some additional criteria for assessment.

3.2 Key Questions and Assessment Criteria

13. In view of the objective and scope outlined above, the Review is expected to assess the performance and quality of work of the three pillars of the evaluation function at IFAD, namely, OE's independent evaluation, self-evaluation and the Evaluation Committee. It will address the following *key questions*:

- (a) What has been the performance and quality of work of OE, the self-evaluation function and the Evaluation Committee in relation to the current Evaluation Policy and relevant good practice standards?
- (b) How could the evaluation function at IFAD be improved? What are the implications of this for the Evaluation Policy, OE, IFAD Management, and the Evaluation Committee?

14. As mentioned above, the current *Evaluation Policy (and the President's Bulletin that operationalized it) provides the framework within which OE operates and relates to other IFAD Departments and Divisions*. At one level, the policy emphasizes only four of the international principles for evaluation, namely, independence, accountability, learning and partnership.¹² Several

¹⁰ The UNEG Norms and Standards are available at <http://www.uneval.org/normsandstandards/index.jsp>

¹¹ These principles were first described in *Principles for Evaluation of Development Assistance*; Paris: OECD, 1991; available at <http://www.oecd.org>.

¹² The Independent Evaluation Department of the Asian Development Bank also emphasizes four principles—impartiality and independence, credibility, usefulness and partnership ("[Review of the](#)

other principles, however, are also reflected strongly in the more operationally-oriented chapters of the Evaluation Policy. Moreover, OE has been evolving since the Evaluation Policy was approved by the Executive Board, and it has incorporated important principles in its work by means of methodology and related processes and guidelines, which are elaborated in OE's Evaluation Manual.¹³ OE also has a results measurement framework, which is based on measurable indicators of usefulness and output; this is reproduced in Annex I.¹⁴ In addition, with the signing of the Paris Declaration for Aid Effectiveness in 2005, the international donor community expressed its commitment to strengthen country capacities, including those related to results-based monitoring and evaluation, a commitment reconfirmed in the Accra Agenda for Action. As such, OE's approaches to supporting evaluation partnership and capacity development are also evolving, and will be considered in the Review.

15. In the ECG Approach, the main reference point for assessment criteria is a questionnaire with 57 questions that *cover all the OECD DAC principles for evaluation*,¹⁵ as well as some additional criteria. As indicated in Annex III the overwhelming majority of these criteria are addressed in either the IFAD Evaluation Policy or the Evaluation Manual or both. Annex III also provides other sources of information that will help the Review in its assessment of how comprehensively and effectively these criteria are addressed in IFAD.

3.3 Sources of Information

16. *OE's evaluation and communication products* constitute the main source of information which the Review will use in assessing OE's performance and quality of work. These products are:

- (a) the approach paper, which introduces the background, objectives, evaluation framework, process, schedule, consultants' team and other aspects necessary for planning an evaluation;
- (b) the evaluation report, which sets forth the independent evaluation analysis carried out by OE, including its conclusions and recommendations;
- (c) the Agreement at Completion Point (ACP), which reflects the extent of IFAD Management and borrowers agreement with the findings and the recommendations proposed in the independent evaluation, and how they propose to make them operational;¹⁶
- (d) evaluation summaries called "Profiles," which are one set of OE's user-friendly communication products. They provide an overview of the main evaluation conclusions and recommendations; and,
- (e) "Insights," which represent another set of communication products. They contain one learning theme from the evaluation and serve to stimulate discussion among practitioners and other development specialists on some important issues.¹⁷

[Independence and Effectiveness of the Operations Evaluation Department](#)," *ADB Policy Paper*, Asian Development Bank, Manila, November 2008).

¹³ [OE Evaluation Manual: Methodologies and Processes](#), 2008

¹⁴ OE's results measurement framework was developed in 2008 in response to a request from the Executive Board of IFAD in December 2007. This framework has been designed to enable OE and the Board to assess OE's effectiveness.

¹⁵ See Annex III.

¹⁶ The ACP as well as other aspects of IFAD Management's response to evaluation have been analyzed in a paper prepared in 2008 by Sara Bandstein and Erik Hedblom for the Swedish Agency for Development Evaluation called "[IFAD's Management Response System: The Agreement at Completion Point Process](#)." A related paper, which also looks at other organizations in addition to IFAD, is "Institutional Practices for Management Follow-up: Review and Proposal of Good Practice Standards," by Osvaldo Feinstein, commissioned by the UNEG Task Force on Evaluation Quality Enhancement.

¹⁷ "Insights" are prepared only for higher-plane evaluations and not for project evaluations.

- (f) the ARRI is OE's annual flagship document which provides a consolidated overview of the performance of IFAD's operations and highlights learning issues that merit attention by IFAD.
- (g) OE's comments to the RIDE, PRISMA and proposed new policies, in line with the terms of reference of the Evaluation Committee.

17. In addition to evaluation and communication products, *OE's Evaluation Manual and other documents*, such as the OE Work Programme and Budget, the OE Internal Peer Review Guidelines and the OE Results Measurement Framework will also be reviewed. Close to 50 evaluation reports, the same number of approach papers and ACPs, and smaller numbers of "Profiles" and "Insights" have been produced and disseminated during 2005 to 2009. The number of evaluation products in various categories is shown in Annex VI, and a more extensive list of OE documents is included in Annex VII. *OE's website*¹⁸, *archives and annual work plans and budgets*, as well as *OE-related financial and personnel records* maintained at IFAD provide additional relevant information for the Review.

18. The self-evaluation function of IFAD depends on a large number of *documents that are produced by PMD at the project and country levels, as well as consolidated reports at the regional and institutional levels*. These include: the Results and Impact Management System (RIMS), Country Portfolio Review, Country Strategic Opportunities Programme (COSOP) review, Report on IFAD's Development Effectiveness (RIDE) and President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). In the preparatory phase the review panel will establish the criteria for reviewing a selection of projects and COSOPs that were ongoing during the period 2005 to 2009. The categories in which these and other self-evaluation documents are classified are listed in Annex VI.

19. In addition to interrogating available documentation, the Review will include a series of *meetings and interviews* such as the following:

- (a) interviews with OE evaluators and other staff, both in relation to evaluation methods and products and the roles they perform in management;¹⁹
- (b) meetings with a sample of IFAD management, including the President, the Assistant President of Operations, the front office of the PMD, the Regional Directors, and key officials responsible for financial management and human resources management; and
- (c) discussion with the Chairman and all members of the Evaluation Committee, as well as selected member countries' representatives.

4. MAIN TASKS IN THREE PHASES

4.1 Preparatory Phase

20. In addition to the preparation and finalization of the RAP as indicated above in paragraph 10, the preparatory phase will entail the following steps:

- (a) The Review Panel will contract the team of consultants, who would assist it in the conduct of the Review.

¹⁸ The OE website can be accessed at www.ifad.org/evaluation

¹⁹ OE has an Evaluation Communication Unit and focal points for its budget management, staff training, relations with the Evaluation Committee and liaison with UNEG and ECG.

- (b) Using the ECG Questionnaire as in Annex II, OE will conduct some background analysis and self-evaluation on its performance and quality of work. Major topics that should be considered include: (i) evaluation policy, (ii) impartiality, transparency and independence, (iii) resources and staff, (iv) evaluation of partnerships and capacity building, (v) quality of evaluation products (vi) planning, coordination and harmonisation, (vii) dissemination, feedback, knowledge management and learning and (viii) the extent of the use and the impact of the evaluation work throughout the institution and the outside stakeholders. The questionnaire in Annex II will be used as a reference for the self-assessment as well as the analysis to be conducted in the consultation phase that follows.
 - (c) PMD, with input from other IFAD Departments, will also carry out a self-evaluation, based on an adapted version of the ECG Questionnaire.
 - (d) OE and PMD will prepare a list of documents for possible use in the Review.
 - (e) The Review Panel and the team of consultants will also develop a separate questionnaire that will serve as the reference for the assessment of the Evaluation Committee.
 - (f) The Review Panel and team of consultants will hold an Inception Workshop, described below, in which OE, PMD and the Chair of the Evaluation Committee will also participate.
 - (g) And undertake preparatory work for the Desk Review [see 22. (a)]
21. The purpose of the Inception Workshop would be to:
- (a) Identify the documents that should be provided to the consultants and the Review Panel;
 - (b) Identify IFAD staff and members of the Executive Board whom the consultants or Review Panel would like to interview;
 - (c) Finalize the deliverables and assign responsibility and deadlines for these to consultants and Review panel members, as the case may be;
 - (d) Develop a preliminary table of contents for the final report;
 - (e) Fine-tune and finalize the timetable for the Review;
 - (f) Finalize the level of effort of consultants, and the time and travel requirements for members of the Review Panel;
 - (g) Finalise the questionnaires to be used for the assessment of OE, self-evaluation and Evaluation Committee; and
 - (h) Record the above-mentioned refinements and any other relevant information in an Inception Report.

4.2 Consultation Phase

22. The consultation phase includes substantial review and analysis of information, report writing, and consultation between the Review Panel and the stakeholders in IFAD. The consultants' main tasks would include the following:

- (a) Undertake desk review and interviews/meetings in Rome as outlined in Section 2.3;

- (b) Prepare the reports/deliverables identified at the Inception Workshop. These could include stand-alone working papers on selected assessment criteria (e.g., credibility and usefulness), or on OE, PMD and the Evaluation Committee; and a draft synthesis or summary for consideration by the Review Panel;
- (c) In addition, the consultants are expected to work closely with the Review Panel in drafting, discussing and finalizing the Review Report.

23. The main tasks of the Review Panel during the consultation phase would include the following:

- (a) The Chair of the Review Panel would be in contact with the consultants and focal points from OE and PMD in order to review the progress of work and facilitate the Review.
- (b) Based on the consultants' deliverables, and with the help of the consultants' Team Leader, the Review Panel would prepare the first version of a draft final report for discussion with IFAD stakeholders. This draft report will comprise analytical sections where the performance of IFAD's evaluation function is examined and a section setting forth the main conclusions and recommendations.
- (c) After review of the first version of the draft report by the ECG Chair, the Review Panel presents the first draft report to the Chair of IFAD's Evaluation Committee, Management and OE for comments.
- (d) The Review Panel would hold consultations with OE, PMD and the Evaluation Committee on the first draft final report and the comments received from them.
- (e) Review Panel will address the comments as it deems appropriate, and a final draft report will be produced and presented for ECG consideration.

4.3 Assessment Phase: Concluding Steps

24. Based on the ECG Approach, the main tasks in the assessment phase are as follows:

- (a) After review of the final Review Report by the ECG chair, the final report is presented by the Chair of the Review Panel to the Evaluation Committee of the Board of IFAD. The Evaluation Committee will consider the final Review Report and prepare comments. The Chair and members of the Review Panel will attend the session of the Evaluation Committee in which the final Review Report is discussed.
- (b) The Review Panel sends the final report plus the Evaluation Committee's Chair's report to the ECG for consideration.
- (c) After thorough review, the ECG Chair transmits the final Report, as delivered by the Review Panel, with a cover letter including any comments from the ECG members to the Board of IFAD.
- (d) The final Review Report and the report of the Evaluation Committee Chair will be discussed by the Executive Board in a session which will be attended by the ECG Chair and the Chair of the Review Panel to answer any questions.
- (e) Decisions of the Executive Board.
- (f) Disclosure of the Final Review Report, including extracts of the Minutes of the Executive Board and the Evaluation Committee's Chair to the public.

5. GOVERNANCE

25. The review is commissioned by IFAD's Executive Board. The Evaluation Committee will discuss and approve the terms of reference for the review as presented in the RAP before the final approval by the Executive Board. It will also consider the final review report before its presentation to the Executive Board for final approval.

26. The Chairpersons of the Evaluation Committee and of the Review Panel will have a special role in coordinating and facilitating the Review, whereby the focus of the former should primarily be on facilitating. They may need to be engaged from time to time to address problems and issues arising during the Review.

6. REVIEW PANEL AND SUPPORTING CONSULTANTS

27. According to the ECG Approach, the Review Panel includes two categories of peers, namely, evaluation peers and independent peers. The evaluation peers are drawn from among the Evaluation Heads of ECG members²⁰. Independent peers are respected independent evaluators from the international evaluation community. The inclusion of independent peers in a Review Panel is considered to enhance the credibility of a Review.

28. The ECG Approach describes the role of the Review Panel as follows "to: (i) carry out the Review within the institution (field visits to view operations client countries are not anticipated); (ii) inform the Chair of the ECG during the stages of the Review Framework; and (iii) provide feedback to the Executive Board and the Evaluation Committee, IFAD Management and OE. As required, the Review Panel will be supported by consultants to undertake detailed work. Tasks undertaken during the Review include an examination of the relevant documentation, participation in discussions with Board members, Management, OE and various levels of staff in the institution under review, both evaluation staff and operational staff."

29. For the purposes of this Review, there will be five individuals on the Review Panel, including two independent peers. It is important that the peers should either be from organizations in which rural and agricultural development constitutes a large part of the operations or have a background in agriculture and rural development. Moreover, in view of IFAD's nature as both an international financial institution and a United Nations specialized agency, the Director of the UNDP Evaluation Office, who is a permanent observer to the ECG and Chair of the UNEG, should also be invited to be a member of the panel. The composition of the Review Panel is therefore as follows: Bruce Murray, independent peer and former Director General, Operations Evaluation Department of the AsDB (as the proposed Chair of the Review Panel); Cheryl Grey, Director of the Independent Evaluation Group of the World Bank; Saraswathi Menon, Director, Office of the Evaluation of UNDP; H. Satish Rao, Director General, Operations Evaluation Department of the AsDB; and Pieter Stek, independent peer and former Executive Director of the World Bank and Chair of the Committee of Development Effectiveness.

30. The panel will be supported by a team of two consultants—a Team Leader, and a Senior Evaluation Specialist—to undertake detailed work. The total level of effort of this team is expected to be three to four person months. The criteria for selecting the consultants will be determined by the Review Panel and the details of their required level of effort will be worked out and finalized at the

²⁰ This coincides with the request of the Executive Board that the panel consist of the heads of the evaluation offices of ECG while taking into account IFAD's nature as both an international financial institution and a United Nations specialized agency.

Inception Workshop in view of the responsibilities assigned at that time. The Team Leader is expected to work closely with the Chair of the Review Panel to draft and finalize the Review report, and present it to the Evaluation Committee and the Executive Board.

31. The Review Panel will also be supported by dedicated staff, namely, a senior evaluator from OE and a senior official from the self-evaluation function of IFAD Management. This support is expected to be based on a part time basis, however, the extent of this support will be made explicit during the Inception Workshop.

7. PROPOSED SCHEDULE

32. The timing of the Review will be determined in consultation with the ECG, which has been informed of IFAD's decision to conduct this exercise. The proposed indicative timing for the various phases of the Review is as follows:

- (a) The preparatory phase will conclude by the end of September 2009, the Approach Paper will be discussed by the Evaluation Committee in July and by the Executive Board in September.
- (b) In the consultation phase, the consultants will initiate their detailed assessment by mid September and complete their deliverables by end October.
- (c) The assessment phase could start in November 2009 and finish with the presentation of the final report to the Evaluation Committee and the Executive Board in December 2009.

8. BUDGET

33. The costs of the Review Exercise will be financed by IFAD through a one-time below-the-line contribution in the 2009 OE budget which the IFAD Governing Council approved in February 2009.

34. Out of the total budget USD 300,000, it is expected that an amount in the neighbourhood of USD 180,000 would be required for the consultants' team and the independent peers. Approximately USD 50,000 may be set aside for the Review Panel, including travel costs. The balance might be used for organising the inception workshop and other expenses as required. A detailed budget breakdown will be prepared following the inception workshop and included in the inception report.

Annex I
OE Results Measurement Framework

Results	Verifiable Indicators
Usefulness of evaluations	<ul style="list-style-type: none"> • Evaluation recommendations adopted by IFAD management and the Government concerned, as captured in the Agreement at Completion Point (ACP)
	<ul style="list-style-type: none"> • Senior Independent advisers convey their full satisfaction with quality of evaluation process and content
	<ul style="list-style-type: none"> • Evaluation Committee and Executive Board express broad agreement with key evaluation findings and recommendations
Outputs – clustered by priority	
(a) CLEs, CPEs and PEs	<ul style="list-style-type: none"> • Evaluations completed against annual targets in accordance with work programme
	<ul style="list-style-type: none"> • Evaluation reports, Profile and Insights issued within 3 months of established completion date (i.e., following signing of ACP)
(b) Evaluation work required by Evaluation Policy and the Terms of Reference of the Evaluation Committee	<ul style="list-style-type: none"> • Number of planned Evaluation Committee sessions and annual field visit held in accordance with work programme
	<ul style="list-style-type: none"> • ARRI report produced annually and discussed with Evaluation Committee and Executive Board, in accordance with established practice
	<ul style="list-style-type: none"> • Written comments prepared on PRISMA, RIDE and selected corporate policies and processes in a timely manner
(c) Evaluation outreach and partnerships	<ul style="list-style-type: none"> • Evaluation reports, <i>Profiles</i> and <i>Insights</i> disseminated to internal and external audiences
	<ul style="list-style-type: none"> • Number of hits on the evaluation section of the corporate website
(d) OE methodology & effectiveness	<ul style="list-style-type: none"> • Evaluations conducted with internal peer-reviews and higher plane evaluations with senior independent advisers
	<ul style="list-style-type: none"> • Evaluations in full compliance with Evaluation Policy

Annex II
ECG Questionnaire for the Assessment of the Evaluation Function

1. Evaluation Policy: role, responsibility and objectives of the evaluation department

1. Does the institution under review have an evaluation policy?
2. Does the policy describe the role, governance structure and position of the evaluation unit within the institutional context governed by the articles of association?
3. Does the evaluation function provide a useful coverage of all the activities/operations/programmes of the institution?
4. According to the policy, how does evaluation contribute to institutional learning and accountability?
5. How is the relationship between evaluation and audit conceptualised within the ECG member under review?
6. Is the evaluation policy adequately known and implemented within the institution?

2. Impartiality, transparency and independence

1. To what extent are the evaluation department and the evaluation process independent from line management?
2. What are the formal and actual drivers ensuring/constraining the evaluation department's independence?
3. How does the evaluation department and its relation to institutional processes such as human resource management, code of conduct, and financial management compare to the ECG good practice standards for independence?
4. What is the evaluation department's experience in exposing successes *and* failures of operational activities/programmes/projects/strategies/policies and their implementation?
5. What is the evaluation department's experience in challenging conventional wisdom?
6. Is the evaluation process transparent enough to ensure its credibility and legitimacy? Are evaluation findings consistently made public?
7. Is there a policy on managing conflicts of interest?
8. How is the balance between independence and the need for interaction with line management dealt with by the system?
9. Are the evaluation process and reports perceived as impartial by non-evaluation actors within and outside the institution?

3. Resources and Staff

1. How efficient have independent and self-evaluation been in fulfilling their evaluation functions? If feasible and appropriate a benchmarking exercise with other evaluation departments should be considered, taking into account that comparing budgets is a challenging endeavour, because collecting comparable data is not easy as the nature and size of the organisation, as well as its mandate and operating model, have consequences for the budgets.
2. Are the independent and self evaluation functions supported by appropriate financial and staff resources?
3. Does the evaluation department have a dedicated budget? Is it annual or multiyear? Does the budget cover activities aimed at promoting feedback and use of evaluation and management of evaluation knowledge?
4. How is the head of the evaluation unit selected and/or extended? Who does his/her annual performance review? Who decides his/her salary increase?
5. How independent is the evaluation department in selecting and recruiting staff?
6. Do staff have specific expertise in evaluation, and if not, are training programmes available?

7. Is there a flow of staff between the evaluation department and the operational departments and visa versa?
8. Is there a policy on recruiting consultants, in terms of qualification, impartiality and deontology?

4. Evaluation partnerships and capacity building

1. To what extent are beneficiaries, borrowers or executing agencies involved in the evaluation process?
2. To what extent does the institution rely on local evaluators or, when not possible, on third party evaluators from borrowing member countries?
3. Does the institution engage in partner-led evaluations?
4. Does the evaluation department support evaluation training and capacity building programmes in borrowing member countries?
5. How do partners/beneficiaries/NGOs perceive the evaluation processes and products (in terms of quality, independence, objectivity, usefulness and partnership orientation)?

5. Quality of Evaluation Products

1. How does the evaluation department ensure the quality of its evaluations (including reports and process)?
2. Does the institution have guidelines for the conduct of evaluations and are they used?
3. Has the ECG member under review developed/adopted standards/benchmarks to assess and improve the quality of its evaluation reports?
4. How well have evaluation reports dealt with answering the question “Why was the performance as it was”?
5. How has the evaluation department, in aggregating its findings to assess the portfolio and programme-wide performance, addressed issues related to sample size, representativeness, minimum quality standards, and comparability of ratings across evaluations?
6. What is the usefulness of evaluation reports from the point of view of the Board of Directors, Management and the operational side of the institution?
7. What is the assessment of the quality of the evaluation reports in terms of coverage, presentation of the evidence to support the conclusions, dispassionate, objective analysis and use of best international evaluation practice?
8. How is the quality of evaluation products/processes perceived throughout the institution?

6. Planning, coordination and harmonization

1. Does the participating ECG member have a multi-year evaluation work plan, describing future evaluations according to a defined timetable?
2. How is the evaluation plan developed? Who, within the organization, identifies the priorities and how?
3. Does the work programme reflect an appropriate balance between corporate level evaluations, complex evaluations (e.g., country/sector/policy/thematic evaluations) and project level evaluations?
4. How is the evaluation function organised within the institution?
5. Does the evaluation department assess the quality of the self evaluation processes in the institution?
6. Does the evaluation department coordinate its evaluation activities with other multilateral agencies and bilateral donors?
7. How are field level evaluation activities coordinated? Is authority for evaluation centralised or decentralised?
8. Does the evaluation department engage in joint/multi donor evaluations?
9. Does the evaluation department make use of evaluative information coming from other MDBs, bilateral donors, academia or NGOs?

7. Dissemination, feedback, knowledge management and learning

1. How are evaluation findings disseminated? In addition to reports, are other communication tools used (e. g., press releases, press conferences, abstracts, annual reports providing a synthesis of findings, repackaging of evaluation findings, web based technologies, articles in non-ECG member publications)?
2. Are all evaluation reports made public? Are position papers made public? Are comments from third parties on the evaluation products made public?
3. What mechanisms are in place to ensure feedback of evaluation results to policy makers, operational staff and the general public?
4. What mechanisms are in place to ensure that knowledge from evaluation is accessible to staff and other relevant stakeholders?
5. Is evaluation viewed as an integral part of the knowledge management system?
6. Is evaluation considered a 'learning tool' by staff of the organization under review?

8. Evaluation Use

1. Who are the main users of evaluations within and outside the institution?
2. Does evaluation respond to the information needs expressed by the Board of Directors, Management, operational staff, developing countries and/or civil society?
3. Are there systems in place to ensure monitor and track action taken on the implementation of evaluation findings and recommendations?
4. Are recommendations included in evaluation reports clear and capable of being acted on and monitored?
5. What is the linkage between the timing of evaluations and new operations? For example, are there institutional requirements for evaluations of policies, country strategies or projects to be completed before policies or country strategies are revised or follow on projects are funded?
6. How does the institution promote follow up on findings from relevant stakeholders (through e.g. steering groups, advisory panels or sounding boards)?
7. Are links with decision making processes ensured to promote the use of evaluation in policy formulation? For example, is there a "just in time" dissemination system – i. e., ensuring that evaluation findings are packaged in a digestible form and delivered to decision makers who can influence decisions?
8. Are there recent examples of major operation and policy changes attributable to evaluation findings and recommendations, i.e., influential evaluations?
9. Are there examples of how evaluation serves as an accountability mechanism?
10. What are the perceptions of non evaluation actors (operation and policy departments, field offices, etc.) regarding the usefulness and influence of evaluations?

Annex III

OECD-DAC Principles for the Evaluation of Development Assistance

Paragraph numbers refer to the original source, namely, OECD-DAC, *Principles for Evaluation of Development Assistance*; Paris: OECD, 1991; available at <http://www.oecd.org>

1. The main ***purposes of evaluation*** are (a) to improve future aid policy, programmes and projects through feedback of lessons learned, and (b) to provide a basis for accountability, including the provision of information to the public (paragraphs 6-10).¹

Through the evaluation of failures as well as successes, valuable information is generated which, if properly fed back, can improve future aid programmes and projects. The accountability notion of evaluation referred to here relates to the developmental results and impact of development assistance. It is distinct from accountability for the use of public funds in an accounting and legal sense, responsibility for the latter usually being assigned to an audit institution.

2. Aid agencies should have an ***evaluation policy*** with a clear definition of the role of the evaluation office, its responsibilities and its place in the institutional aid structure (paragraphs 4 and 7).
3. The evaluation process should be ***impartial and independent*** from the process concerned with policy-making, and the delivery and management of development assistance (paragraphs 11-16).

Impartiality and independence will best be achieved by separating the evaluation function from the line management responsible for planning and managing development assistance. This could be accomplished by having a central unit responsible for evaluation reporting directly to the minister or agency head responsible for development assistance, or to board of directors or governors of the institution. To the extent that some evaluation functions are attached to line management they should report to a central unit or to a sufficiently high level of the management structure or to a management committee responsible for programme decisions. In this case, every effort should be made to avoid compromising the evaluation process and its results (paragraph 16).

According to the 1998 DAC Review, impartiality and independence can be judged by the following aspects of the evaluation function: (i) an organization's policy statement on evaluation; (ii) the relationships between evaluation and the management and governance structure of the organization; (iii) selection/fixed term/removal/re-employment of chief evaluator; (iv) authority over the evaluation budget; (v) authority over the selection of projects to be evaluated; (vi) authority for selection of evaluators; (vii) authority for approval of an evaluation programme; (viii) authority for preparation and approval of terms of reference; (ix) process and authority for review and revision of evaluation reports; (x) whether or not reports are issued in the evaluator's name; and (xi) linkage between evaluation and decision-making for feedback and other aspects of evaluation.

4. Ensuring the ***credibility*** of evaluation depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process (paragraphs 18-19).

Credibility requires that evaluation should report successes as well as failures. Recipient countries should, as a rule, fully participate in evaluation in order to promote credibility and commitment.

Aid agencies need a critical mass of professional evaluation staff in order to have sufficient expertise in their various fields of activity and to ensure credibility of the process.

5. The **usefulness** of evaluation contributes greatly to its impact on decision-making (paragraph 21-22).

Evaluation findings must be perceived as relevant and useful and be presented in a clear and concise way. They should fully reflect the different interests and needs of the many parties involved in development co-operation. Easy accessibility is also crucial for usefulness. Evaluations must be timely in the sense that they should be available at a time which is appropriate for the decision-making process.

6. Aid agencies should elaborate **guidelines and/or standards** for the evaluation process. These should give guidance and define the minimum requirements for the conduct of evaluations and for reporting (paragraph 31).
7. An **overall plan** must be developed by the agency for the evaluation of development assistance activities. In elaborating such a plan, the various activities to be evaluated should be organized into appropriate categories. Priorities should then be set for the evaluation of the categories and a timetable drawn up (paragraph 27).
8. **Transparency** of the evaluation process is crucial to its credibility and legitimacy. The evaluation process must be as open as possible with the results made widely available (paragraph 20).
9. **Feedback** to both policy-makers, operational staff and the general public is essential (paragraphs 39-43).

To ensure that the results of evaluation are utilized in future policy and programme developed it is necessary to establish feedback mechanisms involving all parties concerned. These would include such measures as evaluation committees, seminars and workshops, automated systems, reporting and follow-up procedures. Informal means such as networking and internal communications would also allow for the dissemination of ideas and information. In order to be effective, the feedback process requires staff and budget resources as well as support by senior management and the other actors involved (paragraph 42). Evaluation reporting should be clear, as free as possible of technical language and evaluation methods used; the main findings; lessons learned; conclusions and recommendations (which may be separate from the report itself) (paragraph 39).

10. Systematic **dissemination** is essential for ensuring improved planning and implementation of development assistance activities. Evaluation results may be disseminated in several ways apart from the evaluation report itself e.g., annual reports providing a synthesis of findings (paragraph 41).
11. **Partnership** with recipients and donors in aid evaluation is essential; they are an important aspect of recipient capacity-building and of aid co-ordination and can reduce administrative burdens on partners (paragraphs 23-26).

Whenever possible, both donors and recipients should be involved in the evaluation process. Since evaluation findings are relevant to both parties, evaluation terms of reference should address issues of concern to each partner, and the evaluation should reflect their views of the effectiveness and impact of the activities concerned. Participation and impartiality enhance the quality of the evaluation, which in turn has significant implications for long term sustainability since recipients are solely responsible after the donor has left (paragraph 23).

Collaboration between donors is essential in order to learn from each other and to avoid duplication of effort. Donor collaboration should be encouraged in order to develop evaluation methods, share reports and information, and improve access to evaluation findings.

Joint donor evaluations should be promoted in order to improve understanding of each other's procedures and approaches and to reduce the administrative burden on the recipient. In order to facilitate the planning of joint evaluations, donors should exchange evaluation plans systematically and well ahead of actual implementation (paragraph 26).

Annex IV

Relation between the OECD-DAC Principles for the Evaluation of Development Assistance, the ECG Approach, IFAD Evaluation Policy and OE's reference documents

DAC evaluation principles and additional assessment criteria	Addressed in:			OE sources other than IFAD Evaluation Policy
	ECG's Questionnaire?*	IFAD Evaluation Policy?	OE's Evaluation Manual?	
DAC Principles:				
1. Purposes of evaluation		Yes	Yes	B, C
2. Evaluation policy	Yes	Yes	Yes	
3. Impartiality and independence	Yes	Yes	Yes	
4. Accountability	Yes	Yes	Yes	B
5. Credibility	Yes		Yes	C
6. Transparency	Yes		Yes	
7. Learning	Yes	Yes	Yes	B
8. Partnership	Yes	Yes	Yes	
9. Feedback	Yes	Yes	Yes	B
10. Dissemination	Yes	Yes	Yes	A, B
11. Usefulness	Yes		Yes	B, C
12. Overall planning	Yes ²¹	Yes	Yes	A, B
13. Guidelines and/or standards	Yes	Yes	Yes	B, C
Additional Assessment Criteria:				
• Resources and staff	Yes	Yes	Yes	A
• Capacity building	Yes			²²
• Quality of evaluation products	Yes		Yes	B, C
Key to OE sources indicated above:				
A = Annual Work Plan and Budget		B = OE Results Measurement Framework		
		C = Internal OE Peer Review Guidelines		

* ECG's Questionnaire for the assessment of the evaluation function.

²¹ In the ECG questionnaire, planning includes coordination and harmonization.

²² In their sessions in September 2008, the Evaluation Committee and the Executive Board requested that OE find ways and means of promoting evaluation capacity development in partner countries. In response, OE proposed to become involved more systematically in this work. This proposal was outlined for the Executive Board in paragraph 104 of "Programme of work, Programme Development Financing Facility and administrative and capital budgets of IFAD and its Office of Evaluation for 2009," Document EB 2008/95/R.2/Rev.1, Executive Board – Ninety-fifth Session, Rome, 15-17 December 2008. A more detailed proposal will be prepared by OE for the Evaluation Committee in October.

Annex V
Number of OE's Evaluation and Communication Products, published in the period 2005-2009

Type of Evaluation and Regional Focus ¹	Number of Documents Published: ²				
	Approach Papers	Evaluation Reports	ACPs ³	Evaluation Profiles ⁴	Insights ⁴
Corporate Level Evaluation	5	5	5	1	1
• PA	-	-	-	-	-
• PF	-	-	-	-	-
• PI	1	1	1	-	-
• PL	-	-	-	-	-
• PN	1	1	1	-	-
• Multiple regions	3	3	3	1	1
Thematic Evaluation	3	3	3	1	0
• PA	-	-	-	-	-
• PF	1	1	1	1	-
• PI	1	1	1	-	-
• PL	-	-	-	-	-
• PN	1	1	1	-	-
Country Programme Evaluation	11	11	11	6	4
• PA	2	2	2	1	1
• PF	2	2	2	1	0
• PI	2	2	2	1	1
• PL	3	3	3	1	1
• PN	2	2	2	2	1
Project Completion Evaluation	18	18	18	10	0
• PA	1	1	1	1	-
• PF	4	4	4	2	-
• PI	4	4	4	2	-
• PL	4	4	4	2	-
• PN	5	5	5	3	-
Project Interim Evaluation	11	11	11	4	0
• PA	6	6	6	2	-
• PF	1	1	1	1	-
• PI	1	1	1	0	-
• PL	3	3	3	1	-
• PN	-	-	-	-	-
Total	48	48	48	22	5
Notes:					
¹ Abbreviations correspond to IFAD's Programme Management Department Divisions, as follows: PA = Africa I Division (Eastern and Southern Africa); PF = Africa II Division (Western and Northern Africa); PI = Asia and the Pacific Division; PL = Latin America and the Caribbean Division; PN = Near East and North Africa Division.					
² The numbers refer to evaluation reports, Profiles and Insights published as of 31 May 2009.					
³ Agreements at Completion Point					
⁴ The numbers below correspond to the Profiles and Insights published by OE. Several of these communication products were not published, but they are available in draft form.					

Annex VI

IFAD's Self-evaluation Documents

Corporate level

1. Report on IFAD's Development Effectiveness (RIDE)
2. Results Measurement Framework for the IFAD Strategic Framework (a new one is now under development)
3. IFAD's annual Programme of Work and Budget, which includes 7 CMR indicators
4. The annual Portfolio Performance Review process and reports by PMD
5. President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

Country level

1. COSOP annual review (MTR and COSOP completion review) process, guidelines and corresponding results framework

Project Level

1. Project Completion Report process, guidelines and format
2. Direct supervision and implementation support, including MTR process
3. Results and Impact Management Systems and M&E at the project level
4. Project Status Reports

Harmonization with OE

1. Agreement between PMD and OE on the Harmonisation of Self-evaluation and Independent Evaluation Systems

Annex VII
Start-up List of IFAD Documents for Review²³

A. OE Documents

1 Documents on Policy and OE's Management

- (i) IFAD Evaluation Policy, 2003
- (ii) President's Bulletin on IFAD Evaluation Policy, 8 December 2003
- (iii) OE's Annual Work Plan and Budget for the years 2003-2009

2 High-level Reports

- (i) Independent External Evaluation (IEE) of IFAD, 2005²⁴
- (ii) Annual Report on Results and Impact, publication year 2004-2008

3 Manuals and Methods

- (i) Evaluation Manual: Methodology and Processes, 5 December 2008
- (ii) Peer Review Process Guidelines, June 2009
- (iii) A Guide for Project Monitoring and Evaluation, 2002
- (iv) Consultant's Guidelines

4 Evaluation Products

The categories and corresponding number of evaluation products published since 2005 are mentioned above in Annex V and VI. A complete list is available from OE.

5 Communication Products

The communication products are the Profiles and Insights mentioned above in Annex V. A complete list of Profiles and Insights published since 2005 is available from OE.

B. Self-evaluation Documents

These are introduced in Annex VII. A complete list is available with PMD.

C. Evaluation Committee's Chair's Report, Minutes of the Evaluation Committee and the Executive Board concerning evaluation.²⁵

D. Other Relevant IFAD Documents

1 Selected IFAD Basic Documents

²³ These documents will be available in electronic and printed versions by the time the Review Panel starts its work at IFAD.

²⁴ The IEE was commissioned by the Executive Board and conducted by an independent external team of evaluators. The IEE Report is not an OE product; however, OE was required by the Board to supervise the compliance of the IEE team with the terms of reference approved by the Board.

²⁵ A list of these documents will be made available in electronic and printed versions to the Review Panel. This include "Procedures for the renewal and appointment of the Director of the Office of Evaluation" proposed by the Evaluation Committee in 2009.

- (i) Agreement Establishing IFAD
- (ii) Financial Regulations of IFAD
- (iii) Lending Policies and Criteria
- (iv) General Conditions for Agricultural Development Financing
- (v) Rules of Procedure of the Executive Board
- (vi) Rules of Procedure of the Governing Council
- (vii) Terms of Reference and Rules of Procedures of the Evaluation Committee

2 IFAD Strategy and Related Documents

- (i) IFAD Strategic Framework 2007-2010
- (ii) Innovation Strategy
- (iii) Final progress report on implementation of IFAD's Action Plan for Improving its Development Effectiveness (Dec. 2007)
- (iv) Progress report and activity plan for IFAD's country presence (Dec. 2008)
- (v) Strategy for Knowledge Management

3 Selected IFAD Policies

- (i) Anticorruption Policy
- (ii) Policy for Grant Financing
- (iii) Policy on Supervision and Implementation Support
- (iv) Rural Finance Policy
- (v) Sector-wide Approaches for Agriculture and Rural Development
- (vi) Targeting Policy: Reaching the Rural Poor

4 IFAD Annual Report 2008

E. Other documents related to Evaluation

- 1 Swedish Agency for Development Evaluation (SADEV). IFAD's Management Response System - The Agreement at Completion Point Process
- 2 Institutional Practices for Management Follow-up: Review and Proposal of Good Practice Standards, March 2009
- 3 Evaluation Capacity Building (to be prepared by OE in October)

Annex VIII

**EVALUATION COOPERATION GROUP
(ECG)**

**PREPARATORY NOTE FOR
INDEPENDENT REVIEW EXERCISE OF
IFAD'S EVALUATION OFFICE AND EVALUATION FUNCTION
THROUGH THE APPLICATION OF
ECG'S REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION**

JUNE 2009

TABLE OF CONTENT

1. INTRODUCTION	1
2. OBJECTIVE OF A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND THE CASE FOR IFAD	1
3. APPLICATION OF THE REVIEW FRAMEWORK FOR THE INDEPENDENT EVALUATION OFFICE IN IFAD	2
3.1 THE BASIS FOR A REVIEW EXERCISE	2
3.2 THE SCOPE OF THE REVIEW EXERCISE AND ITS PRINCIPLES, CRITERIA AND STANDARDS	2
3.3 GOVERNANCE	3
3.4 THE ROLES OF THE PARTICIPANTS IN THE REVIEW EXERCISE	4
3.5 THE PROCEDURES AND TIMING OF THE REVIEW EXERCISE	5
APPENDIX 1: IFAD-ECG REVIEW EXERCISE PROCESS MATRIX	
APPENDIX 2: QUESTIONNAIRE	

1. INTRODUCTION

Peer Review, an important basis for the Evaluation Cooperation Group's (ECG) Review Framework of the evaluation function, can be described as the systematic examination and assessment of the performance of one institution by another institution that has, in principle, a similar mandate and set of basic principles, policies and way of working. The goal is to help the reviewed institution improve its policy making, adopt best practices, and comply with established standards and principles. The examination is conducted on a non-adversarial basis. For a Review Framework for the Evaluation Function as developed by the ECG, it relies heavily on mutual trust among its members and the institution involved in the review and their shared confidence in the Framework. These Review Exercises are designed to create, through this reciprocal evaluation process, a system of mutual accountability and an independent external review mechanism that can serve Executive Boards and Shareholders of the ECG members. It is important that the specific governance structure of ECG members and observers is reflected in any exercise under the Review Framework of the evaluation function, thereby taking into account that institutions' Executive Board might at times require independent reviews of part of the evaluation system for which an involvement of "Evaluation Peers" might not be the preferred option.

The ECG, in fulfilling its mandate (see Section 2 below), and in order to do that in an effective way, delegates activities to individual working groups which are composed of the members and observers of the ECG. The following working groups are active within the ECG: Working Group on Public Sector Evaluation; Working Group on Private Sector Evaluation; Communications Working Group; Technical Assistance Working Group and Working Group on the Review Framework for the Evaluation Function.

2. OBJECTIVE OF A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND THE CASE FOR IFAD

The ECG works to strengthen cooperation among evaluators and seeks to harmonize evaluation methodology in its member institutions, so as to enable improved comparability of evaluation results while taking into account the differing circumstances of each institution. ECG also addresses issues related to accountability, learning from past experience, sharing these lessons and strengthening their use. These are all elements that should be addressed during implementation of a Review Framework of the evaluation function. The ultimate objective of these Reviews is *to distil and help implementing best practice to improve the evaluation functions, and harmonize evaluation approaches, thereby gaining experience for future Reviews*. The focus of the Reviews will be on mutual learning and disseminating best practices among the participating institutions. For most institutions accountability towards the general public is of the essence while for some institutions internal accountability will be the main focus. For the Review Exercise of IFAD's independent Office of Evaluation and IFAD's evaluation function the following overall objective will apply:

The objective of the review is to assess the performance of IFAD's Evaluation Office (OE), including a review of the 2003 IFAD Evaluation Policy, which constitutes the framework within which OE operates. The review will be undertaken to contribute to enhancing OE's performance and quality of work, as

well as to improving IFAD's evaluation policy by bringing it into line with best practices and established international standards and principles.

The Approach Paper to be produced for IFAD's Review Exercise will spell out the priorities of the review in more detail taking into account priorities of IFAD's Executive Board.

3. APPLICATION OF THE REVIEW FRAMEWORK FOR THE INDEPENDENT EVALUATION OFFICE AND EVALUATION FUNCTION IN IFAD

3.1 The Basis for a Review Exercise

Review in respect of IFAD's EO and evaluation function can proceed on the following basis:

3.1.1 A decision has been taken by the Executive Board of IFAD that a Review of IFAD's independent Evaluation Office (EO) and IFAD's evaluation function should be carried out by the ECG.

3.1.2 The budget for the Review has been allocated in principle by IFAD. The total cost of the Review will depend on the scope and depth of the review, the size of the Review Panel and the person months required from the consultants.²⁶ Final proposals on cost of the exercise will be made based on the preferences of IFAD's Executive Board and presented in the Approach Paper.

3.1.3 The group of founding members [SEE EMAIL COMMENTS] of the ECG have agreed in their meeting in Paris of 20/21 November 2008 to the request of IFAD's Executive Board to carry out a Review Exercise. Communications respectively will take place on behalf of the Chair of the ECG by the Chair of Working Group for the Review Framework for the evaluation function (WGRFEF).

3.1.4 On behalf of the Chair of the ECG, the WGRFEF and its Chair, monitor the development of each Review exercise through regular contacts with the Chair of Evaluation Committee, i.e. IFAD's designated Board Committee for the evaluation function, and with the Chair of the Review Panel.

3.2 The Scope of the Review Exercise and its Principles, Criteria and Standards

The performance of the EO and the evaluation function of IFAD will be assessed against the following principles, criteria and standards:

3.2.1 Assessment of OE's performance, including the quality of its evaluation products, methodology and processes.

The assessment of the performance of an evaluation function in its implementation of policy recommendations and guidelines is the most common form of Review. The Review can also examine the consistency and coherence with respect to the IFAD's own policies

²⁶ Based on the actual cost of the few available comparable exercises (e.g. the review of the UNDP evaluation office in 2005), an amount of US\$300,000 would seem a realistic estimate of the cost involved in the IFAD review. These costs will be financed by IFAD through a one-time below-the-line contribution in the 2009 OE budget.

and mandate. As an example, the OECD DAC Peer Reviews take into account principles agreed in development co-operation, such as guidelines (e.g., poverty reduction, conflict prevention) or emerging themes (e.g., policy coherence, harmonisation of donor procedures).

Indicators and benchmarks that provide specific and, to the extent possible, numerical targets to achieve are more susceptible than policy guidelines to being assessed according to quantitative measures. Indicators and benchmarks as described in the ECG good practice standards (GPSs) are used during the benchmarking studies of the GPSs for public and private sector operations and form an important basis for IFAD's Review Exercise. Other evaluation activities, such as evaluation of policy based lending operations use another set of ECG-established good practice standards. Indicators and benchmarks refer to key mandate objectives such as development, poverty alleviation, transition impact, additionality of IFAD, environmental performance.

3.2.2 Assessment of the relevant content and application of the current IFAD Evaluation Policy.

The assessment of the Evaluation Policy would require an inquiry into two other elements, which, together with OE, make up the evaluation system of IFAD:

3.2.3 Assessment of the self-evaluation maintained by IFAD Management, including its approaches and products such as the Results and Impact Management System (RIMS), country portfolio review, country strategic opportunities programme (COSOP) review, RIDE and PRISMA.

3.2.4 As requested by the Executive Board, assessment of the oversight functions of the Evaluation Committee of IFAD's Board with respect to both OE and the self-evaluation maintained by IFAD Management.

The review will be expected to produce a set of recommendations in relation to points 3.2.1 and 3.2.4 above.

3.2.5 Assessment against other binding principles: A Review Framework for the evaluation function exercise in IFAD can also be a mechanism to monitor compliance with international norms and agreements. An example is the contribution towards the fulfilment of the Millennium Development Goals through the execution of the activities agreed under the Paris Declaration.²⁷

²⁷ In the future Peer Reviews in the context of the OECD will provide additional feedback on the ways in which DAC members implement the Paris Declaration of 2 March 2005. This Declaration signed by ministers from developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions, who resolved to take far-reaching and monitorable actions to reform the way aid is delivered and managed, as they look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs).

3.3 Governance of the Review Exercise

3.3.1 The review will be commissioned by IFAD's Executive Board, which will designate the role of main client for this exercise to its Evaluation Committee. The latter will discuss and approve the terms of reference for the review as presented in the Review Approach Paper and will consider the final review report before its presentation to the Executive Board for final approval.

3.3.2 The review will be conducted by the ECG of the multilateral development banks. The review panel will consist of heads of the evaluation offices of ECG members and of independent peers from the evaluation community. (See further section 3.4.3 below.) As required, the panel will be supported by consultants to undertake detailed work.

3.3.3 The Chairpersons of the Evaluation Committee and the Chair of the Review Panel and designated panel members will form a review reference group to sort out ad hoc problems and issues occurring during the review. They will be supported by dedicated staff, one from OE and one from the self-evaluation function of IFAD Management, who for the work performed during the Review Exercise will report to the Chairperson of the Evaluation Committee.

3.4 The roles of the participants in IFAD's Review Exercise

Review of the evaluation function involves several participants: the ECG and its specialised Working Group; the evaluation unit of the institution under review; the institution's Executive Board and the designated Board Committee overseeing the evaluation function; the Review Panel that guides and supervises the Review Exercise and the consultants who undertake detailed work. The roles of the various participants for IFAD's Review Exercise are as follows:

3.4.1 *The ECG as a collective body and its Working Group on the Review Framework:* Within the ECG the Working Group on "Review Framework for the evaluation function" (WGRFEF) is responsible for implementing the Review Framework for the Evaluation Function and therefore is responsible for carrying out the Review Exercise. The bullet points presented below highlight the aim of the Working Group and indicate the way in which the WGRFEF will get involved on behalf of the ECG and its Chair in the Review Exercise of IFAD's EO and evaluation function:

- Provide leadership and support during the preparation and execution of the Review Exercise;
- Make a proposal to the IFAD Board in respect of potential members for Review Panel and firm of consultant-evaluators to help in making sure that the right expertise is provided and that independence of the Review Exercise is preserved.
- During the Review Exercise be a sounding board for Review Panel and give ad hoc advice during all implementation phases of the Review Framework for the evaluation function;
- Provide a forum for discussion of issues resulting from the Approach paper to be produced by IFAD in cooperation with the Review Panel;
- Gather relevant information from discussions with the Evaluation Committee overseeing the evaluation function and review how this information might change the content and implementation of ECG's Review Framework in the case of IFAD;

On behalf of the ECG Chair, the Chair of WGRFEF has a coordinating role during the Review Exercise and will keep the Chair of the ECG informed about any progress.

3.4.2 *The independent Evaluation Office of IFAD:* Participation in a Review Exercise requires that the evaluation department under review co-operates with the Review Panel, the consultants, the ECG and the WGREFE, making documents and data available, responding to questions and requests for self-assessment, facilitating contacts and hosting on-site visits if required. The individuals responsible for participating on behalf of IFAD include evaluation staff, different levels of management and staff and the Evaluation Committee.

3.4.3 *The Review Panel and supporting consultants:* Review of the evaluation function implies by definition that the heads of Evaluation Departments of ECG members (ECG Peers) and/or independent evaluation experts (Independent Peers) are involved in the Review Exercise. A combination of such peers will have to be appointed to the Review Panel. In view of IFAD's nature as both an international financial institution and a United Nations specialised agency, the Chair of the United Nations Evaluation Group, who is a permanent observer to the ECG, should also be a member of the panel. The Evaluation Committee will agree to the appointment of the Independent Peers to the Panel and with the nomination by ECG of the ECG Peers as Panel member(s).²⁸ The role of the Review Panel will be to: (i) carry out the Review within IFAD (field visits to view operations client countries are not anticipated); (ii) inform the Chair of the ECG and the Chair of WGRFEF during the stages of the Review Exercise; and (iii) provide feedback to the Executive Board and Senior Management of IFAD. As required, the Review Panel will be supported by consultants to undertake detailed work. Tasks undertaken during the Review include an examination of the relevant documentation, participation in discussions with Board members, Management and various levels of staff in IFAD, both evaluation staff and operational staff. The Review Panel and consultants must be objective, fair, and free from any influence of national or business interest that would undermine the credibility of the Review Exercise.

3.4.4 *Organisational structure of the Review:* During the implementation of the Review Exercise the Chairperson of the Evaluation Committee provides guidance to the Review Panel. He is assisted by a senior evaluator from the evaluation department of IFAD for the independent evaluation side and a senior staff member assigned by management for the self-evaluation side of the Exercise, who report for the purposes of the Review Exercise to the Chairperson of the Evaluation Committee on issues related to the Review. These two staff members support the Chairperson of the Evaluation Committee, the Review Panel (in particular the Chair of the Review Panel) and the consultants during the execution of the Review Exercise by undertaking the administrative steps related to contracting, providing documentation and analysis, organising meetings, stimulating discussion and maintaining continuity as the keeper of the historical memory of the Review Exercise. As mentioned above under Section 3.3.3 above the Chairperson of the Evaluation Committee and the Chair of the Review Panel and designated panel members form a *Review Steering Group* to sort out ad hoc problems and issues during the Review Exercise.

²⁸ The Review Panel can have three to seven members, depending on the size, depth and complexity of the Review exercise.

3.5 The Procedures and timing of the Review Exercise in IFAD

3.5.1. The head of the Evaluation Office in IFAD, in close cooperation with the Chairperson of the Evaluation Committee and the Chair of the Review Panel, will prepare a Review Approach Paper. The paper will outline in detail the nature, scope, timing and budget for the Review and terms of reference for the Review Panel and consultants. The paper will be reviewed by the ECG Chair in consultation with the Chair of the WGRFEF and its members, representing all members and observers of the ECG. As required, comments will be provided on behalf of the ECG. The level of procedural detail described in such papers can vary widely and will take into account preferences and specific requirements by IFAD being reviewed.

3.5.2 The timing of the proposed review (see also the IFAD-ECG Review Exercise Process Matrix in Appendix 1) will be determined in consultation with the ECG, which has been informed of IFAD's decision to conduct a Review Exercise. The ECG agreed to this request as highlighted in Section 3.1.3 above. The proposed indicative timing for the various phases of the review can be summarized as follows:

(a) *Preparatory phase*: establishment of the review panel, selection of consultants and preparation and approval of the terms of reference/approach paper for the review: January-July 2009;

(b) *Consultation phase*: preparation by the review panel of the draft report, which provides an assessment of the evaluation function and sets forth the main conclusions and recommendations: September-December 2009;

(c) *Assessment phase*: consideration by the Evaluation Committee and Executive Board of the final review report and its disclosure to the public on the IFAD and ECG websites: January 2010.

3.5.3 Detailed review of the above mentioned phases:

a. *The preparatory phase*: The first phase consists of background analysis and some form of self-evaluation by the evaluation department under review. This phase includes work on documentation and data and involves completion of a questionnaire as outlined in Appendix 1 of this report. Major topics that could be considered include: (i) evaluation policy: role, responsibility and objectives of the evaluation unit; (ii) impartiality, transparency and independence; (iii) resources and staff; (iv) evaluation of partnerships and capacity building; (v) quality of evaluation products; (vi) planning, coordination and harmonisation; (vii) dissemination, feedback, knowledge management and learning; and (viii) the extent of the use and the impact of the evaluation work throughout the institution and the outside stakeholders. The Review Panel sends the final report plus the Evaluation Committee's comments to the ECG for consideration.

The questionnaire in Appendix 1 can be used for a self-evaluation exercise and serves as an agenda for a dialogue in the *consultation phase* that follows. During this *preparatory phase*, the Chair of the Review Panel is appointed and the other members of the Review Panel are selected and the Chair of the Review Panel makes preparations for his supervisory role of the Review Exercise in cooperation with the Chairperson of the Board Committee and supported by a designated senior IFAD staff members. The Chair of the Review Panel will be selected early on in the process as he/she will have can

important coordinating role in the final preparation and execution of the Review Exercise.

During this phase, the head of the EO will prepare the Review Approach Paper in close cooperation with the Chairperson of the Evaluation Committee, under guidance from the Chair of the Review Panel. For the preparation of this paper, consultant services might be required. Both the Chair of the Review Panel and on behalf of the ECG Chair, the Chair of the WGRFEF would provide inputs and comments during the *preparatory phase*. The Review Approach Paper provides the basis for the Review and is approved by the Evaluation Committee and by the Executive Board of IFAD.

- b. *The consultation phase:* The Review Panel, with assistance from the consultants, undertakes consultations in IFAD. During this phase, the Review Panel and the consultants maintain close contact with the Chairperson of the Evaluation Committee, the EO and senior Management of IFAD. If provided for in the Review Approach Paper, the Review Panel and consultants can consult with external stakeholders (e.g., client countries; interest groups; civil society; academics; other sources of expertise). At the end of this phase, the Review Panel, with the help of the consultants, prepares a draft report, which follows in principle the model as presented in the Review Approach Paper which could take into account a standard model comprising an analytical section, where the performance of the evaluation function in IFAD is examined and an evaluation or summary section setting forth the main conclusions and recommendations. After review of the draft report by the ECG Chair, the Review Panel presents the draft report to the Chair of IFAD's Evaluation Committee, management and Evaluation Function for comments. Adjustments may be made in the report based on the feedback received, as the Review Panel considers justified. After incorporation of the comments by the Review Panel a final draft report will be presented for ECG consideration.
- c. *The assessment phase:* After review of the final Review Report by the ECG Chair the final report is presented by the Chair of the Review Panel to Evaluation Committee of the Board of IFAD, IFAD Management and the Evaluation Office. The Evaluation Committee will consider the final Review Report and prepare comments as the Evaluation Committee might have its own interpretation and views on parts of the Review Report. The Chair and members of the Review Panel will attend the meeting of the Evaluation Committee in which the final Review Report is discussed. After thorough review, the ECG Chair transmits the final Report, as delivered by the Review Panel, with a cover letter including any comments from the ECG members to the Board of IFAD. The transmitted report is discussed in an IFAD Board Session during which the Chair of the ECG and the Chair of the Review Panel are available to answer any questions. The final report, and particularly its recommendations, provide a basis for follow-up monitoring of the performance of the evaluation function of IFAD, for a possible update of IFAD's evaluation policy and, ultimately, for a subsequent Review Exercise in the future. The final Review Report and the Evaluation Committee's comments will be public documents, disclosed on IFAD's website and on the ECG website

Appendix 1

IFAD-ECG REVIEW EXERCISE PROCESS MATRIX

Preparatory Phase
1. WGRFEF consults with IFAD on the composition of the Review Panel in particular on names of two external peers, including the Chair of the Review Panel (RP).
2. The Head of IFAD's Evaluation Office, in close cooperation with the Chairperson of the Evaluation Committee and the Chair of the Review Panel will prepare a Review Approach Paper.
3. WGRFEF consults with IFAD on the content of the Review Approach Paper and on recruitment of the Chair of the Review Panel. In the mean time WGRFEF consults the ECG Chair, IFAD and the ECG Peers on names and appointment of Chair of the RP and the independent Peer and WGRFEF makes recommendations to the ECG.
4. IFAD's Evaluation Committee agrees to the appointment of the independent peers and the nomination by the ECG of the ECG members to the Review Panel
5. Review Panel consisting of 3 ECG Peers (Cheryl Grey; Satish Rao and Saras Menon) and two independent Peers is appointed by the ECG.
6. The Chair of the RP consults the members of the RP and IFAD on the content of the TOR for the consultants, budget included and the RP takes decision.
7. The Review Panel recruits the consultants.
Consultation Phase
8. Under continuous supervision by the Chair of the RP the consultants carry out the Review Exercise and produce a draft final report. A Review Steering Group (Chairperson of IFAD's Evaluation Committee, Chair of the Review Panel and designated panel members) will sort out ad hoc problems and issues during the Review Exercise.
9. After review of the draft report by the ECG Chair, the Review Panel presents the draft report to the Chair of IFAD's Evaluation Committee, management and Evaluation Function for comments. The Review Panel will address the comments as it deems appropriate, and a final draft report will be presented for ECG consideration.
Assessment Phase
10. After review of the final Review Report by the ECG Chair the final report is presented by the Chair of the Review Panel to Evaluation Committee of the Board of IFAD, IFAD Management and the Evaluation Office. The Evaluation Committee will consider the final Review Report and prepare comments. The Chair and members of the Review Panel will attend the meeting of the Evaluation Committee in which the final Review Report is discussed.
11. The Review Panel sends the final report plus the Evaluation Committee's comments to the ECG for consideration.
12. After thorough review, the ECG Chair transmits the final Report, as delivered by the Review Panel with a cover letter including any comments from the ECG members to the Board of IFAD.
13. The transmitted report is discussed in an IFAD Board Session during which the Chair of the ECG and the Chair of the Review Panel are available to answer any questions.

Appendix 2

QUESTIONNAIRE

WORKING TOOL FOR A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND ASSESSMENT OF THE EVALUATION FUNCTION IN PARTICIPATING ECG MEMBERS

1. EVALUATION POLICY: ROLE, RESPONSIBILITY AND OBJECTIVES OF THE EVALUATION DEPARTMENT

- Does IFAD have an evaluation policy?
- Does the policy describe the role, governance structure and position of the evaluation unit within institutional context governed by the articles of association?
- Does the evaluation function provide a useful coverage of all the activities/operations/programmes of IFAD?
- According to the policy, how does evaluation contribute to institutional learning and accountability?
- How is the relationship between evaluation and audit conceptualised within IFAD?
- Is the evaluation policy adequately known and implemented within IFAD?

2. IMPARTIALITY, TRANSPARENCY AND INDEPENDENCE

- To what extent are the evaluation department and the evaluation process independent from line management?
- What are the formal and actual drivers ensuring/constraining the evaluation department's independence?
- What is the evaluation department's experience in exposing successes *and* failures of operational activities/programmes/projects/strategies/policies and their implementation?
- What is the evaluation department's experience in challenging conventional wisdom?

- Is the evaluation process transparent enough to ensure its credibility and legitimacy? Are evaluation findings consistently made public?
- Is there a policy on managing conflicts of interest?
- How is the balance between independence and the need for interaction with line management dealt with by the system?
- Are the evaluation process and reports perceived as impartial by non-evaluation actors within and outside IFAD?

3. RESOURCES AND STAFF

- Is evaluation supported by appropriate financial and staff resources?
- Does the evaluation department have a dedicated budget? Is it annual or multiyear? Does the budget cover activities aimed at promoting feedback and use of evaluation and management of evaluation knowledge?
- How is the head of the evaluation unit selected and/or extended? Who does his/her annual performance review? Who decides his/her salary increase?
- How independent is the evaluation department in selecting and recruiting staff?
- Do staff have specific expertise in evaluation, and if not, are training programmes available?
- Is there a flow of staff between the evaluation department and the operational departments and visa versa?
- Is there a policy on recruiting consultants, in terms of qualification, impartiality and deontology?

4. EVALUATION PARTNERSHIPS AND CAPACITY BUILDING

- To what extent are beneficiaries, borrowers or executing agencies involved in the evaluation process?
- To what extent does IFAD rely on local evaluators or, when not possible, on third party evaluators from borrowing member countries?
- Does IFAD engage in partner-led evaluations?

- Does the evaluation department support evaluation training and capacity building programmes in borrowing member countries?
- How do partners/beneficiaries/NGOs perceive the evaluation processes and products (in terms of quality, independence, objectivity, usefulness and partnership orientation)?

5. QUALITY OF EVALUATION PRODUCTS

- How does the evaluation department ensure the quality of its evaluations (including reports and process)?
- Does IFAD have guidelines for the conduct of evaluations and are they used?
- Has IFAD developed/adopted standards/benchmarks to assess and improve the quality of its evaluation reports?
- What is the usefulness of evaluation reports from the point of view of the Board of Directors, Management and the operational side of IFAD?
- What is the assessment of the quality of the evaluation reports in terms of coverage, presentation of the evidence to support the conclusions, dispassionate, objective analysis and use of best international evaluation practice?
- How is the quality of evaluation products/processes perceived throughout IFAD?

6. PLANNING, COORDINATION AND HARMONISATION

- Does IFAD have a multi-year evaluation work plan, describing future evaluations according to a defined timetable?
- How is the evaluation plan developed? Who, within the organization, identifies the priorities and how?
- Does the work programme reflect an appropriate balance between corporate level evaluations, complex evaluations (e.g., country/sector/policy/thematic evaluations) and project level evaluations?
- How is the evaluation function organised within IFAD?
- Does the evaluation department assess the quality of the self evaluation processes in IFAD?
- Does the evaluation department coordinate its evaluation activities with other multilateral agencies and bilateral donors?

- How are field level evaluation activities coordinated? Is authority for evaluation centralised or decentralised?
- Does the evaluation department engage in joint/multi donor evaluations?
- Does the evaluation department make use of evaluative information coming from other MDBs, bilateral donors, academia or NGOs?

7. DISSEMINATION, FEEDBACK, KNOWLEDGE MANAGEMENT AND LEARNING

- How are evaluation findings disseminated? In addition to reports, are other communication tools used (e. g., press releases, press conferences, abstracts, annual reports providing a synthesis of findings, repackaging of evaluation findings, web based technologies, articles in non-ECG member publications)?
- Are all evaluation reports made public? Are position papers made public? Are comments from third parties on the evaluation products made public?
- What mechanisms are in place to ensure feedback of evaluation results to policy makers, operational staff and the general public?
- What mechanisms are in place to ensure that knowledge from evaluation is accessible to staff and other relevant stakeholders?
- Is evaluation viewed as an integral part of the knowledge management system?
- Is evaluation considered a 'learning tool' by staff of the organization under review?

8. EVALUATION USE

- Who are the main users of evaluations within and outside IFAD?
- Does evaluation respond to the information needs expressed by the Board of Directors, Management, operational staff, developing countries and/or civil society?
- Are there systems in place to ensure monitor and track action taken on the implementation of evaluation findings and recommendations?
- Are recommendations included in evaluation reports clear and capable of being acted on and monitored?
- What is the linkage between the timing of evaluations and new operations? For example, are there institutional requirements for evaluations of policies, country strategies or

projects to be completed before policies or country strategies are revised or follow on projects are funded?

- How does IFAD promote follow up on findings from relevant stakeholders (through e.g. steering groups, advisory panels or sounding boards)?
- Are links with decision making processes ensured to promote the use of evaluation in policy formulation? For example, is there a “just in time” dissemination system – i. e., ensuring that evaluation findings are packaged in a digestible form and delivered to decision makers who can influence decisions?
- Are there recent examples of major operation and policy changes attributable to evaluation findings and recommendations, i. e., influential evaluations?
- Are there examples of how evaluation serves as an accountability mechanism?
- What are the perceptions of non evaluation actors (operation and policy departments, field offices, etc) regarding the usefulness and influence of evaluations?

Annex IX

Evaluation Cooperation Group

- Working Document -

**Review Framework for the
Evaluation Function
in Multilateral Development Banks**

March 2009

TABLE OF CONTENTS

1.	INTRODUCTION	1
2.	THE CONCEPT OF REVIEW OF EVALUATION FUNCTIONS	1
3.	A RELATED CONCEPT: PEER PRESSURE WHEN	3
4.	PEER REVIEW WITHIN THE OECD AND IN OTHER INTERNATIONAL ORGANISATIONS	3
5.	<i>A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION IN MDBs</i>	4
5.1	<i>The Basis for a Review Framework</i>	4
5.2	<i>The Principles, Criteria and Standards</i>	5
5.3	<i>The Actors</i>	6
5.4	<i>The Procedures</i>	8
6.	THE FUNCTIONS OF A REVIEW FRAMEWORK	9
7.	CONDITIONS FOR A REVIEW OF THE EVALUATION FUNCTION TO BE EFFECTIVE	10
8.	CHALLENGES OF A FRAMEWORK FOR PEER REVIEW OF EVALUATION FUNCTIONS	11
APPENDIX 1		
QUESTIONNAIRE: WORKING TOOL FOR A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND ASSESSMENT OF THE EVALUATION FUNCTION IN PARTICIPATING ECG MEMBERS		

1. INTRODUCTION

2. This report was prepared by the Evaluation Cooperation Group (ECG).²⁹ The ECG was established by the heads of the evaluation departments of the Multilateral Development Banks (MDBs) in response to a call in 1996 of a Development Committee Task Force for harmonization of evaluation methodologies, performance indicators, and criteria. The ECG's mandate focuses on harmonization of evaluation principles, standards and practices and facilitating the involvement of borrowing member countries in evaluation. ECG also addresses issues related to accountability, learning from past experience, sharing these lessons and strengthening their use.

3. This report outlines a Review Framework for the evaluation function in MDBs -- the World Bank Group (WBG),³⁰ Inter-American Development Bank (IADB),³¹ African Development Bank (AfDB), Asian Development Bank (ADB), and the European Bank for Reconstruction and Development (EBRD) -- and the European Investment Bank (EIB)³². It outlines the main features of a concept for carrying out reviews of evaluation departments and more generally evaluation systems. The proposals in this report draw on the experience gained of Peer Review Systems developed by the OECD/DAC Evaluation Network. *The initial Reviews will be treated as pilots so that ECG members can learn during implementation of the Review Framework.* As experience is gained, the ECG's approach toward reviews of the evaluation function will be modified to reflect the lessons learned in the application of the approach outlined in this paper.

4. The ultimate objective of the establishment of the Review Framework is to distil and help implementing best practice to improve the evaluation functions and harmonize evaluation approaches. However, it will take time to achieve this objective. Initial expectations are modest as the Review Framework will be developed and refined on a step by step basis as experience is gained. The focus of the Reviews will be on mutual learning and disseminating best practices among the participating institutions.

²⁹ The Evaluation Cooperation Group (ECG) includes the heads of the evaluation offices of the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB) and the Independent Evaluation Group at the World Bank Group called the founding members. The European Investment Bank (EIB) and the International Monetary Fund (IMF) joined the ECG in 1998 as core members. The founding members and core members together are called in this report "ECG members". ECG members who are participating in the MDB Peer Review system are called "participating ECG members". Representatives of the Evaluation Network of the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) and the United Nations Evaluation Group attend as observers.

³⁰ The World Bank Group comprises the World Bank, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

³¹ The IADB includes the Inter-American Investment Corporation (IIC).

³² Because the evaluation products of the International Monetary Fund (IMF) differ from those of the MDBs and, thus, do not follow the ECG good practice standards, the approach to peer review described in this paper would not apply to IMF.

2. THE CONCEPT OF PEER REVIEW AS AN EXAMPLE FOR A REVIEW FRAMEWORK OF THE EVALUATION FUNCTION

5. Peer Review, which is an important process to be taken into account by the ECG when establishing and implementing a Review Framework for the evaluation function, can be described as the systematic examination and assessment of the performance of one institution by another institution that has, in principle, a similar mandate and set of basic principles, policies and way of working. The goal is to help the reviewed institution improve its policy making, adopt best practices, and comply with established standards and principles. The examination is conducted on a non-adversarial basis. It relies heavily on mutual trust among the institutions involved in the review and their shared confidence in the Framework. These Reviews are designed to create, through this reciprocal evaluation process, a system of mutual accountability and an independent external review mechanism that can serve Boards of Directors and Shareholders of the ECG members.

6. Since all MDBs have independent evaluation offices, a Review of the evaluation function in a given institution could theoretically be carried out by heads of evaluation from other institutions. It is important that the Review Panel to be established, benefits from the experience of the Evaluation Heads of the participating ECG members. The credibility of such a Review would, however, be enhanced by including a majority of external peers from the development evaluation community. These Reviews should therefore be conducted by a Review Panel composed of heads of evaluation units from the participating ECG members and of respected independent evaluators from the international evaluation community.

7. The Review of an evaluation function in a participating ECG member would, in principle, involve all the evaluation activities in the context of the institution in which it operates. The Review would have at its core a review of the content and application of the existing Board-approved evaluation policy in the institution.

8. The Review will assess the quality of the evaluation products (e.g., public and private sector operations, country strategies, corporate, sector and thematic policies, policy based lending, capacity development, technical assistance, etc.) and the uptake of lessons learned and evaluation recommendations by the institution's Management. Since part of the evaluation activities are carried out by Management through internal self-evaluation, it is important to determine at the outset of such a Review whether these activities are to be covered in addition to the review of the work of the independent evaluation department. This type of broader review would require active support from Management. The Review will assess the degree to which the good practice standards developed by the ECG³³ are used in areas such as evaluating private and public sector projects and policy based lending. The ECG has also prepared good practices standards (GPSs) for country strategy and programme evaluation and works on new GPSs on the evaluation of technical cooperation/assistance. The Reviews should be carried out on a regular basis, with each review exercise resulting in a report that assesses accomplishments, identifies areas for improvement and makes recommendations for improvement.

³³ ECG uses two major instruments to promote harmonization among MDBs: (i) developing good practice standards (GPS); and (ii) using the GPS to assess and compare ECG members in benchmarking studies.

9. While senior Management could derive value from a review of both self and independent evaluation, the Review Framework for the evaluation function will be particularly beneficial for the Board of Directors or the Board Committee³⁴ that oversees evaluation activities. Depending on the structure of the evaluation system in the institution under review, the respective Board or Board Committee will be the main client for the Review and recipient of the final report on the Review as they judge the performance of the evaluation functions on a regular basis and ensure that the quality of evaluation products is of adequate standard. Getting confirmation from a Review exercise that the quality of the evaluation products is good and that the applied methodology is consistent with good practice should help to fulfil their accountability functions within the institution. Confirmation on the utility of independent evaluation, however, would also require that the Reviews examine the reactions of Management to evaluation work and the uptake of evaluation recommendations.

3. A RELATED CONCEPT: PEER PRESSURE

10. The effectiveness of a Review Framework for the evaluation function relies, in part, on the influence and persuasion exercised by the peers during implementation of the Framework. This effect is known as “peer pressure”. Peer pressure is a means of soft persuasion that can stimulate the ECG member to make change, if warranted, to better achieve goals and meet generally accepted standards. Examples of ways that the Review Framework can give rise to peer pressure include: (i) a mix of formal recommendations and informal dialogue by the Review Panel with the institution’s Board of Directors or designated committee; (ii) public scrutiny; and (iii) the impact of all the above on opinion within, and outside, the institution. The impact will be greatest when the outcome of the Review is made available to the public, as is usually the case at the OECD.

11. Peer pressure is particularly effective when it is possible to provide both qualitative and quantitative assessments of performance. The ECG benchmarking exercises of private sector evaluation, for instance, quantifies how far each participating institution has progressed with the implementation of ECG’s good practice standards in that area.

4. PEER REVIEW IN OECD AND OTHER INTERNATIONAL ORGANISATIONS

12. Among international organisations, OECD has made the most extensive use of Peer Reviews. Peer Review has, over the years, characterised the work of OECD in most of its policy areas.³⁵ While OECD carries out Peer Review in several substantive areas, there is no standardised Peer Review mechanism. However, all Peer Reviews contain the following structural elements, which are described further below: (a) a basis for proceeding; (b) an agreed set of principles, standards and criteria against which performance is to be reviewed; (c) designated actors to carry out the Peer Review; and (d) a set of procedures leading to the final result of the

³⁴ For instance, designated Board Committees handling evaluation issues in some institutions are called: Committee of Development Effectiveness (CODE) in the World Bank; the Development Effectiveness Committee (DEC) in the ADB; and the Audit Committee (AC) in the EBRD.

³⁵ Officials involved in Peer Review can be from any level of government -- central, regional or local.

Peer Review. The Framework for Peer Review for the evaluation function will follow, in principle, the same approach described in Section 5 below.

13. The OECD DAC evaluation network's guidelines for the peer review of multilateral organizations have been applied in the UN system rather than in the MDBs. The core evaluation question for such peer reviews is:

'Are the agency's evaluation function and its products independent, credible, and useful for learning and accountability purposes, as tested against accepted international standards by a panel of evaluation peers?'

14. The OECD DAC Framework for Assessment identifies three broad areas to be covered:

1. *"The independence of evaluations and evaluation systems" – Noting that this attribute is never absolute, and needs careful analysis in different contexts.*
2. *"The credibility of evaluations" – This includes assessment of whether and how the organization's approach to evaluation fosters partnership and helps build ownership and capacity in developing countries.*
3. *"The utility of evaluations" – Recognizing that this is only partly under the control of evaluators, and is also critically a function of the interest of managers, and member countries through their participation on governing bodies, in commissioning, receiving and using evaluations."*³⁶

15. Several other intergovernmental organisations and international programmes also make use of Peer Reviews. Within UN bodies and specialised agencies, Peer Reviews are used to monitor and assess national policies in various sectors, from environment³⁷ to investment.³⁸ The IMF Country Surveillance mechanism also has some aspects in common with Peer Review.³⁹ The Peer Review mechanism has also been developed within the World Trade Organisation under the Trade Policy Review Mechanism to monitor trade policies and practices in the member states. In the European Union framework, Peer Review is used in several areas (e.g., the Directorate General of Employment and Social Affairs of the European Commission has developed Peer Review for national labour market policies to identify good practices and assess their transferability).

5. A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION IN MDBs

5.1 The Basis for a Review Framework

16. Review in respect of evaluation functions can proceed on the following basis:

³⁶ DAC/UNEG Joint Task Force on Next Steps in the New Approach to Assessing Evaluation in Multilateral Organizations. A [Revised Draft] Framework for Future Peer Reviews. Page 2. 18 October 2006.

³⁷ See, for example, the Environmental Performance Reviews Program carried out by the UN Economic Commission for Europe, initiated as a joint undertaking with the OECD Environment Directorate. Several activities within UNEP follow Peer Review mechanisms.

³⁸ Within UNCTAD, there are programmes which submit the investment policies of developing countries to Peer Review.

³⁹ For a description of the IMF Country Surveillance mechanism, see *IMF Annual Report 2001*.

1. A decision by the Board of Directors of the MDB⁴⁰ or the designated Board Committee that a Review of the evaluation function should be carried out. A Review is only undertaken if requested by the concerned Board of Directors or the Board Committee. The frequency of the Review of the evaluation function can be in principle once in five years. The Review can coincide with the appointment of a new Head of the evaluation department or at the time when an evaluation policy review is due. For the Review to be credible there must be a general consensus on the content and the timing of the Review (see Section 5.4).
2. The financing for Review of the evaluation function will be provided by the concerned institution. The budget for the Review must be secured well in advance of the organisation of the Review. The cost of the Review will depend on the size of the institution, the scope and depth of the review, the size of the Review Panel and the person months required from the consultants.
3. The members of the ECG should confirm the request to carry out a Review. Communication respectively will take place with the Chair of the ECG. (see footnote 12).

17. The Chair of the ECG, assisted by the ECG Secretariat, monitors the development of each Review exercise through regular contacts with the Chair of the designated Board Committee in the concerned MDB and with the Chair of the Review Panel.

5.2 The Principles, Criteria and Standards

18. The performance of the evaluation function can be assessed against a number of principles, criteria and standards:

1. *Policy recommendations and guidelines in the MDB's Evaluation Policy*: The assessment of the performance of an evaluation function in its implementation of policy recommendations and guidelines is the most common form of Review. The Review can also examine the consistency and coherence with respect to the MDB's own policies and mandate. As an example, the OECD DAC Peer Reviews take into account principles agreed in development co-operation, such as guidelines (e.g., poverty reduction, conflict prevention) or emerging themes (e.g., policy coherence, harmonisation of donor procedures).
2. *Specific indicators and benchmarks*: Indicators and benchmarks that provide specific and often numerical targets to achieve are more susceptible than policy guidelines to being assessed according to quantitative measures. Indicators and benchmarks as described in ECG good practice standards are used during the bench marking studies of public and private sector operations. Other evaluation activities, such as evaluation of policy based lending operations use another set of established good practice standards.

⁴⁰ As in the EIB neither a resident Board, nor a designated Board Committee for evaluation exists, a request for carrying out a Review under ECG's Review Framework for the Evaluation Function in MDBs would have to be addressed to the ECG in a different manner. Similarly, other mechanisms would have to be developed for EIB for all other activities that are later described in this paper that involve a Board or sub-committee of a Board.

Indicators and benchmarks refer to key mandate objectives such as development, poverty alleviation, transition impact, additionality of the institution, environmental performance, etc.⁴¹

3. *Other binding principles:* A Review Framework for the evaluation function can also be a mechanism to monitor compliance with international norms and agreements. An example is the contribution towards the fulfilment of the Millennium Development Goals through the execution of the activities agreed under the Paris Declaration.⁴²

19. When the implementation of a Review Framework for the evaluation function reach the stage of a second Review, it is quite common to refer to the conclusions and recommendations in the previous Review. The recommendations and the outstanding issues noted in the earlier report become important parts of the measures against which to assess the progress and to highlight trends and fluctuations. This Framework allows also the creation of a shared knowledge base benefiting all institutions via the identification of best practices, policies that work and relevant lessons learned.

5.3 The Actors

20. Review of the evaluation function involves several actors: the ECG; the evaluation system of the institution where the review is undertaken; the Board of Directors or designated Board Committee of the institution in which the evaluation function is under review (see footnotes 6 and 12); the Peer Review Panel that guides and supervises the Peer Review and the consultants who undertake detailed work. The role of the various actors is as follows:

1. *The ECG as the collective body:* Reviews are undertaken in the framework of the activities of a Working Party or an expert group such as the ECG. The frequency of the Reviews depends on each evaluation function's programme of work and should take into account the context in which the members of the ECG operate.
2. *The reviewed evaluation system:* In all members of the ECG, the evaluation department is independent of management and reports to the Board of Directors through a Board Committee.⁴³ These evaluation systems are in principle subject to a Review. The Board of Directors and/or the designated Board Committee should have an interest in a Review of the evaluation function as a means of stimulating reform in the policies and practices of its independent evaluation department and the self-evaluation system maintained by Management. Participation in a Review implies a duty to co-operate with the Review Panel, consultants and the ECG by, among other things, making documents

⁴¹ For development assistance, see the Millennium Development Goals (www.oecd.org/pdf/M00017000/M00017310.pdf).

⁴² In the future Peer Reviews in the context of the OECD will provide additional feedback on the ways in which DAC members implement the Paris Declaration of 2 March 2005. This Declaration signed by ministers from developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions, who resolved to take far-reaching and monitorable actions to reform the way aid is delivered and managed, as they look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs).

⁴³ However, in the EIB the Head of Evaluation reports to the Inspector General who reports to the President of the institution.

and data available, responding to questions and requests for self-assessment, facilitating contacts and hosting on-site visits. The individuals responsible for participating on behalf of the institution under review include evaluation staff, different levels of management and staff and the Board Committee. The institution whose evaluation function is under review provides the financing for the Review.

3. *The Review Panel and supporting consultants:* Review of the evaluation function implies by definition that the heads of Evaluation Departments of ECG members (ECG Peers) or independent evaluation experts (Independent Peers) are involved in the Review Framework. A combination of such peers will be appointed to the Review Panel. Generally, the choice of members of the Review Panel is based on a system of rotation among the heads of evaluation of the participating ECG members and a roster of independent evaluation experts (as Independent Peers). The Board of Directors, or the designated Committee, of the institution in which the evaluation function is under review will agree to the appointment of the Independent Peers to the Panel and with the nomination by ECG of the ECG Peers as Panel member(s).⁴⁴ The role of the Review Panel will be to: (i) carry out the Review within the institution (field visits to view operations client countries are not anticipated); (ii) inform the Chair of the ECG during the stages of the Review Framework; and (iii) provide feedback to the Board of Directors/Board Committee and Senior Management of the institution under review. As required, the Review Panel will be supported by consultants to undertake detailed work. Tasks undertaken during the Review include an examination of the relevant documentation, participation in discussions with Board members, Management and various levels of staff in the institution under review, both evaluation staff and operational staff. The Review Panel and consultants must be objective, fair, and free from any influence of national or business interest that would undermine the credibility of the Review Framework for the evaluation function.

4. *Organisational structure of the Review:* The Chair of the designated Board Committee⁴⁵ of the institution undergoing a Review of the evaluation function agrees to the appointment of the Independent Peers and the nomination by the ECG of the ECG-designated Panel member(s), i.e. the ECG Peers. During the execution of the Review Framework the Chair of the Board Committee provides guidance to the Review Panel. He/she is assisted by a senior evaluator from the evaluation department of the institution under review, who reports for the purposes of the Review exercise to the Chair of the Board Committee on issues related to the Review. This senior evaluator supports the Chair of the Board Committee, the Review Panel (in particular the Chair of the Panel) and the consultants during the execution of the Review Framework by undertaking the administrative steps related to contracting, providing documentation and analysis, organising meetings, stimulating discussion and maintaining continuity as the keeper of the historical memory of the Review Framework. The Chair of the Board Committee and the Chair of the Review Panel form a *Review Steering Group* to sort out ad hoc problems and issues during the Review.

⁴⁴ The Review Panel can have three to seven members, depending on the size, depth and complexity of the Review exercise.

⁴⁵ See footnotes 6 and 12.

5.4 The Procedures

21. The head of the evaluation department in the institution in which the Review takes place, in close cooperation with the Chair of the Board Committee⁴⁶ and the Chair of the Review Panel, will prepare a Review Approach Paper. The Review Approach Paper will outline the nature, scope, timing and budget for the Review and terms of reference for the Review Panel and consultants. The paper will be reviewed by the ECG Chair in consultation with ECG members. As required, comments will be provided on behalf of ECG. The level of procedural detail described in such papers can vary widely and will take into account preferences and specific requirements by the institution being reviewed. Until significant experience is gained, the Reviews will rely more on practices and procedures that are suitable in the context, rather than on a formally adopted rules of procedure.

22. Although each Review will have its own procedures, OECD DAC experience suggests a common pattern, consisting of three phases:

1. *The preparatory phase:* The first phase consists of background analysis and some form of self-evaluation by the evaluation department under review. This phase includes work on documentation and data and involves completion of a questionnaire similar to that outlined in Appendix 1 of this report. Major topics that could be considered include: (i) evaluation policy: role, responsibility and objectives of the evaluation unit; (ii) impartiality, transparency and independence; (iii) resources and staff; (iv) evaluation partnerships and capacity building; (v) quality of evaluation products; (vi) planning, coordination and harmonisation; (vii) dissemination, feedback, knowledge management and learning; and (viii) evaluation use.

The questionnaire in Appendix 1 can be adapted for a self-evaluation exercise and to serve as an agenda for a dialogue in the *consolidation phase* that follows. During this *preparatory phase*, the Review Panel is established and the Chair of the Panel makes preparations for his/her supervisory role of the Review in cooperation with the Chair of the Board Committee and supported by a designated senior staff member of the evaluation department. During this phase, the head of the evaluation department under review will prepare the Review Approach Paper in close cooperation with the Chair of the Board Committee. For the preparation of this paper, consultant services might be required. Both the Chair of the Review Panel and the ECG Chair would provide inputs and comments. The Review Approach Paper provides the basis for the Review and is approved by the relevant Board Committee.

2. *The consultation phase:* The Review Panel, with assistance from the consultants, undertakes consultations in the ECG member under review. During this phase, the Review Panel and the consultants maintain close contact with the Chair of the Board Committee, the evaluation department and senior Management of the institution under review. If provided for in the Review Approach Paper, the Review Panel and consultants can consult with external stakeholders (e.g., client countries; interest groups; civil society; academics; other sources of expertise). At the end of this phase, the Review Panel prepares a draft report, which usually follows a standard model comprising an analytical section, where the performance of the evaluation function in

⁴⁶ See footnote 12.

the institution is examined and an evaluation or summary section setting forth the main conclusions and recommendations. After review by the ECG, the Review Panel shares the draft report with the institution's senior Management, the Board Committee and the head of the evaluation department. Adjustments may be made in the report based on the feedback received, as the Review Panel considers justified, before the report is finalised and presented for Final Review report to the ECG Chair.

3. *The assessment phase:* The final Review Report is presented by the ECG to the Board Committee⁴⁷. Representatives of the Review Panel will, if requested, be present during such discussions. Following this consideration, a summary of the Chairman of the Board Committee is prepared giving the conclusions and recommendations on the final report. The Board Committee Chairman, at his/her discretion, may present his/her summary and/or the Review Report to the full Board of Directors. Ideally, the final report of the Review Panel might find general consensus among the participants in the Review. However, the Board Committee might have its own interpretation and views on parts of the Review Report. The final report, and particularly its recommendations, provide a basis for follow-up monitoring of the performance of the evaluation function of the institution under review, for a possible update of the institution's evaluation policy and, ultimately, for a subsequent Review. The final Review Report and the Board Committee's Chairman's Summary will be public documents, disclosed on the website of the respective institution and the ECG website.

6. THE FUNCTIONS OF THE REVIEW FRAMEWORK

23. Reviews, directly or indirectly, can serve the following purposes:

1. *Further dialogue among ECG Members:* During the execution of the Review Framework, ECG members can systematically exchange information, attitudes and views on policy decisions and their application. This dialogue can be the basis for further co-operation, through, for example, the adoption of new policy guidelines, recommendations, greater harmonization in the area of evaluation, further development of various good practice standards or exchanges among the Management of institutions in the area of evaluation.
2. *Transparency:* In the course of a Review, the evaluation department of the institution under review presents and clarifies evaluation principles, rules, practices and procedures and explain their rationale. This should help the ECG to further develop certain documentation including good practice evaluation standards. The combination of two levels of enhanced transparency – towards other institutions and towards the public – contributes to the effectiveness of the Review and the related peer pressure.
3. *Capacity building:* A Review is a mutual learning process in which best practices are exchanged. The Review Framework can serve as a capacity building instrument – not only for the evaluation department under review, but also for the institutions participating in the Review as members of the Review Panel or simply as members of

⁴⁷ See footnote 12.

the ECG. For example, certain methodologies – such as benchmarking or recourse to quantitative indicators in assessing compliance with policies – might be unfamiliar to some institutions before they participate in the Review. The Review exercise represents an important learning opportunity.

4. *Replication*: The Review Framework for the evaluation function might lead to other international financial institutions (IFIs), particularly those participating periodically as observers in ECG meetings, using this report for their own Review initiatives.
5. *Compliance*: An important function of the Review Framework is to monitor and enhance compliance by participating ECG members with the internally adopted evaluation policy and with the ECG-agreed policies, standards, and principles of good practice evaluation standards. Unlike a traditional legal enforcement mechanism, a Review works as a “soft enforcement” system,⁴⁸ resulting in non-coercive final reports and recommendations rather than binding coercive acts, such as sanctions. In many contexts, the soft law nature of a Review is better suited to encouraging and enhancing compliance than a traditional enforcement mechanism. For example, unlike a legal enforcement body, a Review has the flexibility to take into account an institution’s mandate and resulting policy objectives, and to look at its performance in a historical and political context. A Review can, therefore, assess and encourage trends towards compliance even among participating institution’s who do not yet apply all the good practice standards to the full extent. A Review can also enhance compliance by helping to clarify differences in policy positions among participating ECG members, thereby leading to the resolution of those differences.

7. CONDITIONS FOR A REVIEW TO BE EFFECTIVE

24. The effectiveness of a Review depends on the combination of factors, which may be summarised as follows:

1. *Value sharing*: One precondition for an effective Review is convergence among the participating ECG members on the standards or criteria against which to evaluate performance. The ECG’s good practice standards in different areas of evaluation provide some common standards and encourage harmonization.
2. *Adequate level of commitment*: Reviews can function properly only if there is an adequate level of commitment by the participating institution in terms of both human and financial resources. The participating institutions must make adequate financial resources available for the execution of the Review Framework. In addition, the designated committee of the Board of Directors must be fully engaged in the Review Framework to provide guidance to the Review Panel at different stages of the Review.
3. *Mutual trust*: Since the Reviews are, by their nature, a co-operative, non-adversarial process, mutual trust is an important basis for success. While the Review Framework

⁴⁸ On the notion of soft law, see the relevant entry in J. Salmon (ed.), *Dictionnaire de droit international public*, Bruxelles, 2001.

itself can contribute to confidence building, a large degree of trust and value sharing among the participants should be present from the beginning to facilitate, among other things, the disclosure of data, information and documentation, which are essential to the a successful execution of the Review Framework.

4. *Credibility*: The credibility of the Review Framework is essential to its effectiveness, and to its added value. There is a strong linkage between the credibility of the Framework and its capacity of influence. To assure this credibility, the approach that the Review Panel and consultants must be objective, fair and consistent. In the same way, the committee of the Board of Directors and its Chairman, in collaboration with the ECG, must ensure the independence, transparency and quality of work. Credibility can be undermined if the Review Framework is flawed by such factors as unqualified panel members and consultants, bias stemming from specific interests, or inadequate standards or criteria against which to undertake the Review. A potential threat to the credibility of the Framework is the possibility of attempts by the evaluation department of the institution under review to unduly influence the final outcome. The involvement of designated Board Committee and ECG during all implementation stages of the Review Framework is the best way to manage this potential risk.

25. With each of these factors in place, a Review can serve as a stimulus to incremental change and improvement. Through the accompanying effect of peer pressure – including both persuasion by other participating institutions and the stimulus of public opinion –Reviews have the potential to create a catalyst to improve the performance of the evaluation function.

8. CHALLENGES OF A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION

26. The OECD/DAC has a full time, professional secretariat to steer their Peer Review process. The fact that the ECG does not have such a sophisticated Secretariat in place poses a challenge to the system described in this report. The Review Framework as presented in this report relies considerably on the Chair of the Board Committee and the Chair of the Review Panel. Both will be assisted from the inside of the institution under review by a senior evaluator and from the outside by the consultant examiners. The Review Steering Group composed of these two Chairs will manage the Review Framework. Some administrative support can be expected to be provided by the ECG Secretariat established in 2007.

27. Another challenge is posed by the differences between the evaluation systems of ECG members. The Review Framework for the evaluation function as described above should be considered as an umbrella scheme under which further details can be worked out and made to suit the unique characteristics of the institution under review. During the preparation for the Review, the Board Committee and ECG can give guidance to the Review Panel on the key issues of importance to the evaluation function under review that should be addressed. The Review Approach Paper (Section 5.4), which is the blueprint for each Review exercise, will most likely identify 5 to 10 key issues to be addressed in the Review that are relevant for the institution under review.

Appendix 1

QUESTIONNAIRE

WORKING TOOL FOR A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND ASSESSMENT OF THE EVALUATION FUNCTION IN PARTICIPATING ECG MEMBERS

1. **Evaluation Policy: role, responsibility and objectives of the evaluation department**

- Does the institution under review have an evaluation policy?
- Does the policy describe the role, governance structure and position of the evaluation unit within the institutional context governed by the articles of association?
- Does the evaluation function provide a useful coverage of all the activities/operations/programmes of the institution?
- According to the policy, how does evaluation contribute to institutional learning and accountability?
- How is the relationship between evaluation and audit conceptualised within the ECG member under review?
- Is the evaluation policy adequately known and implemented within the institution?

2. **Impartiality, transparency and independence**

- To what extent are the evaluation department and the evaluation process independent from line management?
- What are the formal and actual drivers ensuring/constraining the evaluation department's independence?
- What is the evaluation department's experience in exposing successes *and* failures of operational activities/programmes/projects/strategies/policies and their implementation?
- What is the evaluation department's experience in challenging conventional wisdom?
- Is the evaluation process transparent enough to ensure its credibility and legitimacy? Are evaluation findings consistently made public?
- Is there a policy on managing conflicts of interest?

- How is the balance between independence and the need for interaction with line management dealt with by the system?
- Are the evaluation process and reports perceived as impartial by non-evaluation actors within and outside the institution?

3. **Resources and Staff**

- Is evaluation supported by appropriate financial and staff resources?
- Does the evaluation department have a dedicated budget? Is it annual or multiyear? Does the budget cover activities aimed at promoting feedback and use of evaluation and management of evaluation knowledge?
- How is the head of the evaluation unit selected and/or extended? Who does his/her annual performance review? Who decides his/her salary increase?
- How independent is the evaluation department in selecting and recruiting staff?
- Do staff have specific expertise in evaluation, and if not, are training programmes available?
- Is there a flow of staff between the evaluation department and the operational departments and visa versa?
- Is there a policy on recruiting consultants, in terms of qualification, impartiality and deontology?

4. **Evaluation partnerships and capacity building**

- To what extent are beneficiaries, borrowers or executing agencies involved in the evaluation process?
- To what extent does the institution rely on local evaluators or, when not possible, on third party evaluators from borrowing member countries?
- Does the institution engage in partner-led evaluations?
- Does the evaluation department support evaluation training and capacity building programmes in borrowing member countries?
- How do partners/beneficiaries/NGOs perceive the evaluation processes and products (in terms of quality, independence, objectivity, usefulness and partnership orientation)?

5. **Quality of Evaluation Products**

- How does the evaluation department ensure the quality of its evaluations (including reports and process)?
- Does the institution have guidelines for the conduct of evaluations and are they used?
- Has the ECG member under review developed/adopted standards/benchmarks to assess and improve the quality of its evaluation reports?
- What is the usefulness of evaluation reports from the point of view of the Board of Directors, Management and the operational side of the institution?
- What is the assessment of the quality of the evaluation reports in terms of coverage, presentation of the evidence to support the conclusions, dispassionate, objective analysis and use of best international evaluation practice?
- How is the quality of evaluation products/processes perceived throughout the institution?

6. Planning, coordination and harmonisation

- Does the participating ECG member have a multi-year evaluation work plan, describing future evaluations according to a defined timetable?
- How is the evaluation plan developed? Who, within the organization, identifies the priorities and how?
- Does the work programme reflect an appropriate balance between corporate level evaluations, complex evaluations (e.g., country/sector/policy/thematic evaluations) and project level evaluations?
- How is the evaluation function organised within the institution?
- Does the evaluation department assess the quality of the self evaluation processes in the institution?
- Does the evaluation department coordinate its evaluation activities with other multilateral agencies and bilateral donors?
- How are field level evaluation activities coordinated? Is authority for evaluation centralised or decentralised?
- Does the evaluation department engage in joint/multi donor evaluations?
- Does the evaluation department make use of evaluative information coming from other MDBs, bilateral donors, academia or NGOs?

7. Dissemination, feedback, knowledge management and learning

- How are evaluation findings disseminated? In addition to reports, are other communication tools used (e. g., press releases, press conferences, abstracts, annual reports providing a synthesis of findings, repackaging of evaluation findings, web based technologies, articles in non-ECG member publications)?
- Are all evaluation reports made public? Are position papers made public? Are comments from third parties on the evaluation products made public?
- What mechanisms are in place to ensure feedback of evaluation results to policy makers, operational staff and the general public?
- What mechanisms are in place to ensure that knowledge from evaluation is accessible to staff and other relevant stakeholders?
- Is evaluation viewed as an integral part of the knowledge management system?
- Is evaluation considered a 'learning tool' by staff of the organization under review?

8. **Evaluation Use**

- Who are the main users of evaluations within and outside the institution?
- Does evaluation respond to the information needs expressed by the Board of Directors, Management, operational staff, developing countries and/or civil society?
- Are there systems in place to ensure monitor and track action taken on the implementation of evaluation findings and recommendations?
- Are recommendations included in evaluation reports clear and capable of being acted on and monitored?
- What is the linkage between the timing of evaluations and new operations? For example, are there institutional requirements for evaluations of policies, country strategies or projects to be completed before policies or country strategies are revised or follow on projects are funded?
- How does the institution promote follow up on findings from relevant stakeholders (through e.g. steering groups, advisory panels or sounding boards)?
- Are links with decision making processes ensured to promote the use of evaluation in policy formulation? For example, is there a "just in time" dissemination system – i. e., ensuring that evaluation findings are packaged in a digestible form and delivered to decision makers who can influence decisions?
- Are there recent examples of major operation and policy changes attributable to evaluation findings and recommendations, i. e., influential evaluations?

- Are there examples of how evaluation serves as an accountability mechanism?
- What are the perceptions of non evaluation actors (operation and policy departments, field offices, etc) regarding the usefulness and influence of evaluations?