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Enabling poor rural people to overcome poverty

Draft revised IFAD Evaluation Policy

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For: **Review**

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Abbreviations and acronyms

ACP	Agreement at Completion Point
ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	Corporate Level Evaluation
CLP	Core Learning Partnership
CPE	Country Programme Evaluation
ECG	Evaluation Cooperation Group
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
IOE	IFAD's Office of Evaluation
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PMD	Programme Management Department
PPA	Project Performance Assessment
	President's Report on the Implementation Status of Evaluation
PRISMA	Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
TOR	Terms of Reference

Draft revised IFAD Evaluation Policy

Introduction

1. **Background.** Independent evaluation was mandated by the Governing Council upon the recommendation of Consultation on the Sixth Replenishment of IFAD's Resources (2002), which proposed that the Office of Evaluation and Studies, as it was then called, report directly to the Executive Board, independently of IFAD management and, as has been the case since 1994, of the President of IFAD. In response, the Executive Board adopted IFAD's first Evaluation Policy[1], which was approved by the Executive Board during the latter's seventh eight session in April 2003. At its 34th session the Governing Council adopted the revised Lending Policies and Criteria, which provide in its paragraph 14 that "Independent evaluations of projects and programmes financed by the Fund shall be conducted in accordance with the evaluation policy adopted by the Executive Board". The present policy is adopted pursuant to the aforementioned decision of the Governing Council.

2. **The Peer Review.** In December 2008, the Executive Board agreed to the undertaking of the Peer Review of IFAD's Office of Evaluation (IOE) and Evaluation Function by the Evaluation Co-operation Group (ECG) of the Multilateral Development Banks. The scope of the review covered: (i) assessing the content and application of the Evaluation Policy and the corresponding President's Bulletin; (ii) assessing IOE's performance, including the quality of evaluation products, methodology, processes, recommendations, and resulting decisions based on IOE's work; (iii) reviewing how effectively the Evaluation Committee has discharged its responsibilities, as captured in its terms of reference; (iv) assessing the self-evaluation system[2] maintained by Management, including the quality of its products methodology, processes, recommendations and resulting decisions based on the outputs of the self-evaluation system; and (v) formulating a set of recommendations related to the Evaluation Policy, the Evaluation Committee, IOE, the self-evaluation system and Management, to be considered by the Executive Board after review by the Evaluation Committee.

3. The Peer Review was undertaken by a Review Panel of five members, led by experienced evaluators and the heads of evaluation in a number of multilateral development banks and the United Nations Development Programme. Their final report[3] was considered by the Executive Board during its ninety-ninth session in April 2010. On the occasion, the Board expressed its broad agreement with the seven main recommendations contained in the report.

4. Among other issues, the Review Panel recommended: for the Executive Board to reaffirm its commitment to the principles of independent evaluation; the Executive Board, through the Evaluation Committee, to strengthen the oversight and accountability of IOE and its independence from management; IOE to harmonise its approach to evaluation with that of ECG good practice by basing its portfolio and project assessment more heavily on evidence drawn from validated project completion reports; further strengthening of the use of evaluation findings, learning and the feedback loop; IOE to identify ways to improve further the quality through use of a broader range of evaluation, approaches and methodologies; Management to prepare a costed action plan covering the next five years to strengthen IFAD's self-evaluation system; IOE to improve its efficiency in carrying out is programme of work.

[1] See document EB 2003/78/R.17/Rev.1
[2] Self-evaluation is "an evaluation by those who are entrusted with the design and delivery of a development intervention" – see OECD DAC Glossary of Key Terms in Evaluation and Results Based Management.
[3] See document EB 2010/99/R.6

5. **Revised Evaluation Policy.** The main principles and operational policies of the 2003 Evaluation Policy continue to remain largely valid. Therefore, the current revised IFAD Evaluation Policy has been based on the template and structure of the 2003 Evaluation Policy, while incorporating important clarifications and the recommendations of the Peer Review. It also updates the Evaluation Policy in view of changes that have taken place in IFAD and its evaluation function since 2003, such as in particular the approval of the Fund's direct supervision and implementation support policy, the introduction of country presence, and further development of the self-evaluation system.

6. The focus of this document is mainly on evaluation, which in IFAD is the role of Executive Board and performed on its behalf independently by IOE. This policy does however also cover essential aspects of IFAD management's self-evaluation system, especially those areas that directly affect IOE's independent evaluation work.

7. The document is organized in three parts. Part One outlines the policy framework, which consists of the purpose of independent evaluation, the evaluation principles and the operational policies to be used by IFAD in its independent evaluation work. Part Two details operational and organizational measures and other arrangements that ensure IOE's independence from IFAD management and enhance its effectiveness. Part Three includes key policy provisions related to IFAD's self-evaluation system. The annexes include a description of the different types of evaluation that IOE undertakes, as well as a summary of the terms of reference of Director IOE.

Part one: Policy Framework for IFAD's Independent Evaluation

The policy framework describes the purpose of independent evaluation, the evaluation principles and the operational policies to be used by IFAD for its independent evaluation work.

I. Purpose of independent evaluation

A. Purpose and role of independent evaluation in IFAD

8. The main purpose of the independent evaluation function at IFAD is to promote accountability and learning. Evaluations provide a basis for accountability by assessing all factors that affect IFAD's and its partners' performance in reducing rural poverty in recipient countries. They are expected to say the truth about successes and shortcomings, i.e. "to tell it the way it is". This feedback helps the Fund improve its performance. Accountability is thus a key step in a learning process that, if followed through in partnership with those who are being evaluated, deepens IFAD's and its partners' understanding of the causes of and solutions to rural poverty. IFAD uses this knowledge to develop better pro-poor instruments and policies to enable the rural poor to empower themselves and overcome their poverty.

9. In order to fulfil its purpose, IOE is responsible for conducting independent evaluations of IFAD's financed policies, strategies, and operations. Moreover, as suggested by the Peer Review, IOE will also evaluate key corporate business processes[4] that are essential for enhancing IFAD's development effectiveness and fulfilling its overall mandate.

[4] A corporate business process' is a collection of related, structured activities or tasks that produce a specific service or product for a particular customer. It can also be considered a series of logically related activities or tasks performed to produce a defined set of results.

10. IFAD's evaluation approach reflects and is harmonized with internationally accepted evaluation norms and principles.[5] It also takes into account the specific features that make IFAD different from other development organisations, in particular, the self-evaluation system, the Fund's still limited presence in recipient countries, and undertaking direct supervision and implementation support since 2007. This defining logic has various implications for the independent evaluation function at IFAD including, for example, the importance for IOE to ground its evaluations in an adequate amount of fieldwork, in order capture the views and concerns of multiple partners, triangulate information and undertake primary data collection whenever self-evaluation data are deficient.

11. Furthermore, IOE provides comments and where applicable advice for enhancing IFAD's self-evaluation capacities. In particular, *inter-alia,* IOE does this by reviewing and providing written comments on the Report on IFAD's Development Effectiveness (RIDE), the President's Report on Implementation Status and Management Actions (PRISMA) on Evaluation Recommendations, participating in key in-house quality assurance fora, and starting from 2011, by conducting the validation of project completion reports (PCRs). The latter will entail reviewing the accuracy and quality of the evidence and ratings in the PCRs, as well as assessing the PCR as a self-evaluation instrument.

B. Evolution of the evaluation function at IFAD

12. Originally, the Lending Policies and Criteria envisaged that the Fund will, from time to time, ask independent agencies to evaluate its completed projects. Separately, IFAD management established an internal evaluation function shortly after it began operations in 1978. At that time, however, evaluation was combined with monitoring as part of the Monitoring and Evaluation Division, which reported to the Assistant President, Economic Policy Department. In 1994, as a result of recommendations made by the rapid external assessment of IFAD during the negotiation of the Fourth Replenishment of IFAD's Resources, the evaluation function was separated from monitoring and a unit independent of operations, called the Office of Evaluation and Studies, was established. The Director of Office of Evaluation and Studies started reporting directly to the President, and the division was then incorporated into the Office of the President.

13. In accordance with the evaluation policy approved in 2003, IOE became an IFAD organizational unit known as Office of Evaluation, independent of IFAD management in the conduct of the evaluations that it undertakes. The IOE Director became directly responsible to the Executive Board, which has overseen independent evaluation since then. The Executive Board has established in 1988 its own Evaluation Committee to assist it in considering evaluation issues. In 2010, the division was renamed - through an administrative instruction[6] by the Office of the President and Vice President - as "IFAD's Office of Evaluation". Henceforth, however, IOE will be called "Independent Office of Evaluation of IFAD". This would capture the broad spirit of independent evaluation at IFAD, and be consistent with the nomenclature used in several other IFIs that have a similar independent evaluation outfit[7].

C. Types of evaluations done by IOE

14. In order to fulfil its purpose, IOE shall conduct different types of evaluations. These include corporate level evaluations, country programme evaluations, and project evaluations. In addition, each year, IOE shall prepare evaluation synthesis on

[5] As set down in the Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC), Principles for Evaluation of Development Assistance (OECD, Paris, 1998), the good practice standards of the ECG, and the norms and standards of the United Nations Evaluation Group.

[6] This instruction introduced new acronyms for all IFAD divisions.

[7] For example, the Independent Evaluation Group in the World Bank, and the Independent Evaluation Department in the Asian Development Bank.

selected topics of importance to both the Executive Board and IFAD management. The number and type of evaluation conducted annually by IOE will vary from year to year based on the IOE work programme approved by the Board. The definition for the different type of evaluations undertaken by IOE is contained in Annex I of the present policy.

15. Essentially, corporate level evaluations focus on corporate policies, strategies and/or business processes. They contribute to the formulation of new policies or strategies or improving key corporate business processes that are essential to enhance IFAD's development effectiveness. CPEs assess the overall partnership between IFAD and the concerned government in reducing rural poverty, and generate building blocks for the formulation of new COSOPs. The approach to project evaluations entails undertaking the validation of project completion reports (PCRV) and a selected number of project performance assessments (PPAs).

II. Evaluation principles and operational policies

A. Independence

16. The IFAD evaluation function shall operate in line with internationally accepted principles for the evaluation of development assistance. Foremost among these is the principle that the evaluation process should be impartial and independent from both the policy-making process and the delivery and management of development assistance.

17. Independence is achieved where evaluation activities are independent from managers responsible for programme design, management and implementation. This means that, consistent with the decision of the Governing Council, the evaluation function shall be separate from IFAD's management, and shall report to the Executive Board.

18. Budget appropriation for evaluation is another important dimension of independence. IOE's annual budget shall therefore be presented separately to the Executive Board for its consideration and transmittal to the Governing Council for final approval.

19. The IOE shall have the authority to select evaluators and consultants, formulate and approve their terms of reference (TOR), and manage the human resources employed in the division. This authority is an important dimension of independent evaluation. So too is the authority by IOE to: (i) select projects, programmes and policies for evaluation and formulate the work programme; and (ii) revise and issue evaluation reports after discussion with relevant partners.

20. The operational policies and procedures set down in this policy incorporate all of these aspects of independence:

    (i) The IOE Director reports directly to the Fund's Executive Board. The Director IOE will be appointed and removed by the Board, upon the recommendation of the Evaluation Committee.

    (ii) Director IOE is responsible for devising the IOE strategic objectives and for determining ways and means to achieve them.

    (iii) The IOE Director, acting independently of the IFAD management, is responsible for formulating IOE's annual work programme and proposed budgetary appropriations.

    (iv) The IOE Director has the authority to issue final evaluation reports directly and simultaneously to the Executive Board, the President and other partners, and disclose them to the general public without prior clearance from anyone outside IOE.

(v) The President of IFAD shall delegate to the IOE Director authority to make all personnel and operational decisions concerning IOE staff and consultants in accordance with the rules laid out in the current Evaluation Policy and other IFAD rules as applicable.

21. Notwithstanding its organisational and behavioural independence enshrined in this Evaluation Policy, as an integral division within the overall organisational structure of IFAD, IOE shall be entitled to benefit from the same support services (e.g., in the area of human resources, administration, financial services, information technology, communication, and others) provided to all other departments and divisions, in accordance with prevailing rules and regulations. IOE will ensure that it follows the required obligations expected from all IFAD divisions.

B. Accountability

22. IFAD recognizes that one main purpose of evaluation is to promote accountability. It does so by committing IOE to tell the truth and tell it the way it is to IFAD's Executive Board and the Management as well as the public at large. Accountability in this context refers to the assessment of developmental results, the impact of development assistance and the performance of the partners involved, in particular IFAD and the concerned Government.

23. Accountability is considered as a necessary first step in the learning process. Systematic independent evaluation of completed projects and past and ongoing policies and strategies is indispensable if IFAD is to learn from its experience, both positive and negative, and improve its future effectiveness.

24. Accountability through evaluation analysis requires a rigorous methodology for the assessment of developmental results and impacts and the performance of the partners concerned. It also requires that successes, unexpected results, shortcomings and failures highlighted during the evaluation be disclosed to relevant partners and the general public without interference from any vested interest.

25. Moreover, the accountability of an international financing institution as a whole is facilitated if the results of individual evaluations can be aggregated and consolidated at the organizational level. This allows a better analysis of the effectiveness of a given development organization and of the cross-cutting issues and challenges that impinge on its overall performance.

26. These aspects of accountability are reflected in the following operational policies:

(i) Every year IOE shall evaluate on a number of COSOPs/country programmes, as well as key IFAD policies, strategies and corporate business processes. In addition, IOE shall undertake project evaluations in the form of: (i) validation of all PCRs completed in a given year; and (ii) project performance assessment, undertaken for a selected number of projects previously exposed to PCR validation by IOE.

(ii) The President shall ensure that IFAD officials and IFAD-assisted projects promptly provide all documents and other information required by IOE, and participate and cooperate actively in the evaluation process.

(iii) The IOE Director shall issue evaluation reports to the President and the Board without prior clearance from anyone outside IOE.

(iv) IOE shall ensure that all evaluation reports and other evaluation products are disclosed to the public and disseminated widely using electronic and other media.

(v) IOE shall work with an evaluation manual[8] that sets out the methodology and processes that the division will apply in the assessment of the results of IFAD policies, strategies and operations.

(vi) The evaluation manual shall be the basis for the Annual Report on the Results and Impact of IFAD Operations (ARRI). This report shall present a consolidated picture of results and impact achievement, and a summary of cross-cutting issues and learning insights on the basis of evaluations undertaken in the previous year.

(vii) An Agreement at Completion Point will be prepared for each corporate level and country programme evaluation done by IOE. The Agreement at Completion Point will contain a summary of the main evaluation findings and recommendations that IFAD management and the concerned government agree to adopt and implement within specific timeframes. IOE will facilitate the preparation of the Agreement at Completion Point[9].

C. Partnership

27. IOE has numerous partners (e.g., the IFAD Management, the Executive Board and Evaluation Committee, recipient Governments, donor organisations, and others) that have a stake in a particular evaluation. Establishing a constructive partnership between IOE and its partners, in particular recipient countries and IFAD operations, is essential both for generating evaluation recommendations and for ensuring their uptake and ownership. Given the value of partnership, IOE intends to make respect for the partners whose performance it is called upon to evaluate a main principle of its evaluation work.

28. The IFAD evaluation policy, its procedures and instruments aim at the appropriate engagement of partners in the evaluation process, while safeguarding the independent role of IOE. IOE remains, however, solely responsible for producing the evaluation report and its findings. The following policies and practices support partnership:

(i) At the beginning of every evaluation, IOE will ensure that the evaluation process is understood, is transparent to all partners and includes a timetable agreed with them. In this regard, IOE will share the draft evaluation approach paper (see paragraph 41)[10] with the IFAD management, the Government concerned and other evaluation partners, as required, to solicit their comments and develop ownership from earlier on in the process. The draft approach paper for corporate level evaluations will also be discussed with the Evaluation Committee of the Executive Board before they are finalised.

(ii) In line with international good practices in evaluation, IOE will share draft evaluation reports with all concerned for purposes of obtaining comments, in particular on possible factual errors and inaccuracies.

(iii) To firm up the partnership aspects of evaluation mentioned above, IOE will form a core learning partnership (CLP) among the main users of the evaluation.

[8] The current evaluation manual (see EC 2008/informal seminar/ W.P.2/Revi.1) was considered by the Evaluation Committee in December 2008, and thereafter issued by IOE in 2009. Following the Peer Review, IOE expanded the manual to include dedicated indictors for assessing the performance of IFAD-funded projects on gender, climate change, and scaling up. These indicators were presented to the Evaluation Committee in November 2010, as part of the progress report on the implementation of the peer review's recommendations (see document EC 2010/65/W.P.6).

[9] The ACP will follow the template and process discussed with the Evaluation Committee at its 65th session. See Annex III of the document EC 2010/65/W.P.6

[10] IOE will prepare an approach paper at the outset of each evaluation, which will include an account of the evaluation objectives, methodology, key questions, process, timelines, deliverables, human resources requirement, communication and dissemination, budget, etc.

29. Going beyond individual evaluations, IOE organises a dedicated meeting with the department head responsible for programme development and management and all those involved within IFAD in evaluation in a given year, to capture their feedback and experiences. IOE also organizes bi-lateral meetings with each regional division and other IFAD organisational units in developing the evaluation work programme for one year and indicative plan for the subsequent two years. Quarterly meetings will be held with the President and Vice President to exchange information and discuss evaluation findings and recommendations.

D. Learning

30. Establishing effective feedback loops from evaluation to policy-makers, operational staff and the general public is considered essential if evaluation lessons are to be learned. The IOE shall contribute to learning objectives through the following policies:

(i) After completion of the independent evaluation report, IOE facilitates a process, involving PMD, recipient countries, and other partners, through which the main users of the evaluation can deepen their understanding of the evaluation findings and recommendations and make them more operational.

(ii) As one key activity related to point (i) above, IOE will organize an in-country national roundtable workshop to discuss with multiple partners the results and lessons emerging from each CPE. Similarly, a learning workshop will be organised for each corporate level evaluation, at an appropriate stage in the process.

(iii) In addition to the evaluation report, IOE prepares short, easy-to-read communication products[11] on evaluation findings and recommendations and disseminates them widely among IFAD staff, their development partners and the general public.

(iv) Each year, the ARRI shall include a specific chapter on one learning theme that is of importance for enhancing IFAD's development effectiveness. In this regard, a dedicated in-house learning workshop on the selected ARRI learning theme will be organised with the IFAD management and staff, to capture their inputs and define measures that can improve performance in the future.

(v) IOE prepares syntheses of existing evaluation and self-evaluation material that inform relevant corporate policies, strategies and operational processes in IFAD.

(vi) IOE shall engage within in-house quality assurance platforms in the development of new policies, strategies and projects. In particular, IOE will be represented selectively in key platforms where it can add value by drawing on its existing evaluative knowledge and lessons learned.

(vii) IOE shall review and prepare written comments on selected new corporate policies and strategies prepared by the IFAD management that have been preceded by an independent evaluation on the same topic. The review of corporate policies and strategies will focus on the internalization of evaluation-based lessons and recommendations. These policies and strategies together with IOE comments will be discussed in the Evaluation Committee, prior to their consideration by the Board. The IFAD management will make available to IOE early drafts of such policies or strategies, so that the division can provide feedback on any specific evaluation lessons that should be included during the preparation of the policy or strategy.

[11] These include Profiles and Insights, which are 500-700 word brochures. Profiles contain the main findings and recommendations from an evaluation. An Insight is based on one major learning theme emerging from a country programme or corporate level evaluation, with the aim of stimulating further debate and reflection amongst development practitioners on selected themes.

(viii) Through the above activities (i) to (vii) and other initiatives, IOE shall ensure that it contributes to advancing IFAD's knowledge management objectives.

31. For the purpose of ensuring appropriate follow up the following procedures for establishing effective feedback loops shall be observed:

(i) The President shall ensure that evaluation recommendations found to be feasible by users are adopted at the operational, strategic and policy levels (as appropriate). Accordingly, agreed evaluation recommendations are recorded in the PRISMA and tracked by the Management as well as the Executive Board. IOE will prepare and share its written comments on the PRISMA with the Evaluation Committee and Executive Board.

(ii) IOE shall provide comments to the President for the improvement of self-evaluation systems and products, including the Report on IFAD's Development Effectiveness (RIDE) that is presented by the Management to the Board.

(iii) The Evaluation Committee shall report to the Executive Board on specific evaluation issues, and the latter provides feedback to IFAD Management.

32. Commensurate with its resources and priorities, IOE will engage selectively in evaluation capacity development in recipient countries. Among other issues, this will entail activities ranging from providing training to government staff and other in-country partners in methods and processes related to evaluation of agriculture and rural development operations, facilitating participation of government representatives as observers in IOE evaluation missions and in country workshops, and use of national consultants and institutions for independent evaluation work.

Part two: Implementation Procedures and Arrangements

These procedures and arrangements span the entire evaluation cycle from the formulation of the IOE work programme and budget to the finalization and disclosure of evaluation reports, including human resources management and auditing. They are the means by which the policy framework described in Part One of this document is implemented in practice.

I. Annual work programming and budgeting

A. Work programme and budget formulation process

33. **Work programme.** Each year, IOE, while retaining its final authority to decide on the content of its proposed annual work programme, will register the interest of its partners and prepare an annual work programme for independent evaluation, together with an indicative work plan for a further period of two years. This work programme shall be based on the selection of a critical mass of evaluations that, according to IOE, is required for promoting accountability and learning in IFAD as well as for the preparation of the ARRI.

34. Every work programme shall include a mix of different types of evaluation (described in Annex I), including Corporate Level Evaluations and Country Programme Evaluations as well as project evaluations in the form of Project Completion Report Validation and Project Performance Assessments. IOE shall also prepare evaluation syntheses, which will identify and capture evaluative knowledge and lessons learned on a certain topic from a variety of evaluations produced by

IFAD and the evaluation units of other organizations. These syntheses will be supplemented by lessons from academic literature and targeted interviews to promote learning and the use of evaluation findings.

35. IOE shall include an appendix in it work programme and budget document providing the criteria used to set priorities for inclusion of evaluations in the work programme, listing the requested evaluations that were not included, and evaluations included in the previous work programme approved by the Executive Board that were dropped or deferred.

36. **Budget.** In order to allow IOE to link its resource requirement to the specific results it aims to achieve in a given year, according to a coherent results chain, IOE shall prepare a draft results-based annual budget. The results chain, and the achievements against established targets, shall be described in the annual IOE work programme and budget document.

B. Work programme and budget approval process

37. The annual work programme of the IOE shall be approved by the Executive Board. For that purpose the IOE Director shall formulate the annual draft evaluation work programme and a draft budget. A high-level preview of the draft work programme and draft budget will be presented to the Executive Board. Based on the feedback received, IOE shall submit a detailed work programme and draft budget to the Evaluation Committee, which may provide further feedback.

38. The Governing Council will be requested to delegate to the Board the authority to amend or supplement IOE's budget by a separate decision during the year. The levels of the IOE component and the remainder of IFAD's administrative budget will be determined independently of each other.

II. Devising the evaluation approach

39. As a first step for every corporate level and country programme evaluations, IOE shall prepare an approach paper. The latter shall outline the evaluation's background and rationale, objectives, key questions and methodology and process, timeframes, human resources, and communication and dissemination activities. It shall also include an evaluation framework as part of the annex, which coherently links the evaluation objectives to key questions and sources of data and information.

40. All evaluations by IOE shall follow the methodological fundamentals and processes set forth in its evaluation manual. IOE shall require the evaluators to ensure that the methods and processes in the manual are adequately customised – as needed - to reflect the specific circumstances of the policy, strategy or operation being evaluated.

41. While preparing the approach paper, IOE shall identify the members of the CLP, which consists of the main users of evaluation. The role of the CLP shall be to enhance the quality of the evaluation, as well as to build ownership among key partners in the evaluation process and its outcomes.

42. CLPs shall be formed for corporate level and country programme evaluations. CLPs for corporate level evaluations shall normally be constituted mainly with participants from within the IFAD management, given that such evaluations focus largely on corporate policies, strategies or business processes. Depending on the subject and complexity of a particular corporate level evaluation, IOE may invite an external expert(s) to be part of the CLP. The membership of CLPs for country programme evaluation shall include representatives of the IFAD management, government authorities, donor community, civil society and NGOs, and other major players in the agriculture and rural development architecture at the country level.

43. As such, CLP members shall be invited to provide comments on major evaluation deliverables, especially the draft approach paper and draft final report. The CLP shall be invited to participate in any major learning workshop organised during the evaluation process. For CPEs, they will also attend the mission's wrap up meeting in the concerned country.

III. The evaluation analysis and report

A. Conducting the evaluation analysis

44. The overall responsibility for the conduct of the evaluation analysis rests exclusively with IOE. However, IOE shall engage relevant partners at appropriate stages of the evaluation process, taking into account the role of the partners concerned.

45. The IFAD Management shall ensure that IOE has access to any source of information or documents within the organisation and the projects that it supports. As required, IFAD Management representatives shall participate and actively cooperate in independent evaluation processes managed by IOE.

46. Before initiating independent analysis for a corporate level or country programme evaluation, IOE will invite the IFAD Management (for CLEs) and Governments (for CPEs) to provide a self-assessment. This is followed by IOE's independent analysis based on internationally accepted evaluation criteria, and a methodology aimed at promoting accountability and learning through impact and performance assessment.

B. The evaluation report

47. The designated IOE lead evaluator will be responsible for managing the entire evaluation process. S/he will be responsible for the quality and contents of the final evaluation report, which should be short and user-friendly. In assigning a lead evaluator, IOE Director shall ensure that the broad spirit and overall provisions contained in the conflict of interest guidelines for IOE are appropriately applied.[12]

48. In order to ensure quality of key evaluation deliverables, IOE shall undertake internal peer reviews for all evaluations. Members of the internal peer review process will be assigned from IOE staff by the division's Director. In addition, for corporate level evaluations and country programme evaluations, IOE will selectively engage Senior Independent Advisor(s). They will provide inputs at key stages in the evaluation process, and at the end, prepare a short report attesting to the quality of evaluation outcome and process followed.

49. Before the report is issued, IOE will share it with IFAD management and, whenever applicable, with the concerned country's authorities and co-financiers (as appropriate) in order to check facts and accuracy and obtain comments.

50. IOE will decide which comments should be incorporated in the revised (final) report. As a general rule:

    (i) The draft report is revised to incorporate comments that correct factual errors or inaccuracies.

    (ii) It may also incorporate, by means of a note in the report, judgements that differ from those of the evaluation team.

    (iii) Comments not incorporated in the final evaluation report can be provided separately and included as an appendix to the report.

51. The IOE Director has the authority to issue final evaluation reports directly and simultaneously to the Executive Board and the President, without prior clearance from anyone outside IOE.

[12] The IOE staff conflict of interest guidelines were discussed with the Evaluation Committee at its 65th session and may been seen in Annex I of document EC 2010/65/W.P.6.

52. IFAD management may receive, comment on and respond to the draft and final evaluation reports, but the President and other members of IFAD management do not have the right to approve, hold back, or otherwise modify such draft or final evaluation reports. The same applies to members of the Evaluation Committee and Executive Board.

IV. Reporting, communication, disclosure and dissemination

A. Reporting

53. All evaluation reports will be submitted to the Executive Board at the same time as they are forwarded to the President of IFAD. The reports will be issued in the original language with English translation of the executive summary and the Agreement at Completion Point.

54. Every year, IOE shall present the ARRI to the IFAD management, and thereafter to the Evaluation Committee and Executive Board in their December sessions. The IFAD management will submit its written response on the ARRI to the Evaluation Committee and Board at the same time.

B. Communication, disclosure and dissemination

55. IOE Director and its staff shall have the authority to communicate and interact directly with IFAD Executive Board members officially and otherwise, in country partners, and others outside the Fund as the divisions deems appropriate for the undertaking of evaluations. In this regard, IOE will share any pertinent information related to these interactions with the IFAD Management.

56. IOE will ensure that all evaluation reports as well as all documents presented to the Evaluation Committee will continue to be disclosed to the public at large.

57. On a case by case basis, IOE will issue a Press Release to inform the wider audience of the main results and lessons from key evaluations. IOE will be responsible for preparing the Press Release and will not require clearance from anyone outside the division for the contents contained therein. It will however seek the support of IFAD's Communication Division to draw on their contacts, expertise and capabilities for the issuance of the Press Releases.

V. Human resource management

A. Procedure for selecting and appointing Director of IOE

58. The Director IOE shall be appointed by the Board for a period of six years[13]. The Fund shall enter into a contract with Director IOE in accordance with the terms determined by the Executive Board, which shall be equivalent to D-2 rank positions at IFAD. The following procedures will be applied for the selection and appointment of the Director IOE:

    a) The selection process will be led by a search panel consisting of three representatives of members of the Evaluation Committee including the Chairperson (one each from Lists A, B and C), two independent experts with recognized evaluation experience (at least one of whom would have experience managing an independent evaluation department) and a representative of IFAD's senior management.

    b) IFAD Management shall provide administrative and legal support to the search panel.

[13] Key elements of the terms of reference of the Director of IOE is attached in Annex II.

c) The search panel shall develop the position description, ensure that the position is advertised, prepare the short list of applicants, interview and assess the applicants and rank the candidates in order of merit.

d) To help ensure good quality candidates, if required, a professional head-hunting firm may be engaged to help the search panel.

e) After the search panel completes its work, the Chairperson of the Evaluation Committee will consult with the IFAD President.

f) The Chair would then present the report of the search panel to the Evaluation Committee. This report will clearly mention the views of the President with respect to the suitability of the recommended candidate and any other concern the President may have about the recommended candidate. Thereafter, the Committee will discuss and decide:

(i) which candidate to recommend to the Executive Board for endorsement; or

(ii) to re-start the search process again, in case it found the outcome of the search process unsatisfactory, in particular in the event the President disagrees with the candidate recommended by the Evaluation Committee chairperson.

g) After the Executive Board has endorsed the nomination, the President or his/her representative will make an employment offer to the candidate.

h) Director IOE shall not be eligible for other staff positions in IFAD upon the completion of his or her term.

B. Grounds and procedures for dismissing the Director IOE

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

(i) In case of serious unsatisfactory conduct;

(ii) If the Director IOE is considered to have abandoned his\her position or has not taken up the position to which s/he is assigned;

(iii) In case of continuous unsatisfactory performance;

(iv) if the Director IOE is unable to perform his/her duties for health reasons;

(v) If the Director IOE is no longer a national of a Member of the Fund; and

(vi) In the case of the Director IOE is on loan, or exchange, if his/her national administration or intergovernmental organization rescinds the, loan or exchange agreement, or following an agreement to that effect between the Fund and the national administration or the intergovernmental organization, and unless the President decides to change the loan, secondment or exchange into an appointment under contract with the Fund.

60. In any event, dismissal would entail written documentation containing due notice about the reasons for dismissal with an opportunity for staff to contest the reasons.

61. Unless specifically decided otherwise, IFAD will use procedures developed in accordance with the agreed termination provision in rules, regulations and procedures applicable to the staff of IFAD.

62. The recommendation for dismissal shall be made to the Executive Board by the Evaluation Committee, after hearing the person concerned and seeking the advice of the President on the legal, administrative and other relevant aspects of the matter.

63. The decision taken by the Board will be duly communicated by the President to the Director of IOE.

64. Normal IFAD procedures would be followed for any integrity investigations related to Director OE with the results considered by the Executive Board.

C. Principles for the annual performance review of Director IOE

65. The following principles will apply with respect to the annual performance review of the IOE Director.

a) The performance of Director IOE shall be reviewed once a year by the Chair of the Evaluation Committee in consultation with the President of IFAD.

b) The procedures used for the annual performance assessment and for determining the related salary increase of Director IOE should be the same as those used for other division heads.

c) The chair of the Evaluation Committee should consult with and seek feedback from the other members of the Evaluation Committee.

d) The President of IFAD will provide his/her feedback to the Committee Chair in the form of written comments.

e) The Committee Chair may also consult with other members of the IFAD's Management, as required, and whoever else s/he deems necessary as input into the performance assessment.

D. IOE staff and consultants

66. Subject to the budgetary appropriations approved by the Governing Council and the work programme approved by the Executive Board, the Director shall determine the size, organize, and direct the workforce of IOE.

67. For that purpose, the President will delegate authority to make all personnel and operational decisions concerning IOE staff and consultants to IOE Director, in accordance with the provisions contained in this policy as well as other applicable IFAD rules covering human resources. Within these rules, the Director will have authority for managing IOE personnel, their work plans and the demands on their time.

Staff

68. IOE staff will be considered IFAD staff. As such IFAD staff rules and procedures will be applicable to IOE staff.

69. IOE staff will be entitled to seek employment in other units of IFAD. IFAD management will treat IOE staff who may apply for positions outside IOE as other IFAD staff, and treat requests for rotation in accordance with IFAD staff rules and procedures.

70. The Director IOE and the IFAD Management will encourage staff rotation to strengthen cross-fertilisation of evaluation and operational knowledge.

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

a) The Director of IOE, will constitute an interview panel chaired by the IOE Deputy Director. The panel will include the following members: Associate Vice President, Programme or his/her designee, Director, IFAD Human Resources Division or his/her designee, representative of the staff association (as a non-voting member), and an external evaluation expert.

b) The panel will give its recommendations to the IOE Director, who will take a final decision on the recommendation and convey the same to the President for the appointment.

c) Thereafter, the President will establish an appointment board tasked to undertake the due diligence to ensure that the appointment process led by the IOE Director has adequately followed the procedures laid down in this Evaluation Policy as well as applicable IFAD rules and procedures.

d) Except in such cases where the outcome of the due diligence process requires corrective measures by the President, the recommendation of the Director of IOE will be respected and the Director of Human Resources will make the formal appointment.

72. For the appointment of IOE's Deputy Director, the same provisions will apply as for all IOE staff outlined in paragraph 70 above, with the following adjustments to the process:

a) In consultation with the Director of IFAD's Human Resources Division, the Director IOE will select a recognised external evaluation expert to chair the IOE interview panel.

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

73. The Director of IOE will be responsible for managing the performance of IOE staff and will follow standard IFAD performance evaluation procedures in assessing the performance of IOE staff. The Director will be responsible for the final annual assessment of IOE staff and will inform the Director of the Human Resources Division the outcomes of such assessment.

74. The Director of IOE will have the authority to recommend promotions of IOE staff in accordance with IFAD rules and procedures for staff promotion. IFAD's Promotion Board will carry our due diligence to ensure that IFAD rules and procedures are followed. Thereafter, the Director of Human Resources will implement the recommendations of the Director of IOE.

75. Dismissal of IOE will follow IFAD rules and procedures applicable for the dismissal of IFAD staff.

Consultants

76. IOE will have the autonomy to formulate the terms of reference for consultants, identify the most suitable consultants, and to supervise their work. To that effect, in the same way as the heads of departments in IFAD, and following the applicable procedures, the Director IOE shall be authorized to engage the services of consultants and other vendors deemed necessary for the performance of the functions of the IOE.

77. Contracts for IOE consultants will follow the applicable IFAD rules and procedures for the recruitment of consultants. The selection of IOE consultants will be governed by written guidelines within the Office of Evaluation, which aim to prevent any conflict of interest.

78. The Director of Human Resources Division will approve IOE's requests for recruiting and contracting consultants, after a due diligence process with the goal of ensuring that the contracts of consultants proposed by IOE have follow the procedures laid down in this Evaluation Policy and applicable IFAD rules and procedures.

79. Except in such cases where the outcome of the due diligence process requires corrective measures by Director of Human Resources Division, IFAD's Human Resources Director will proceed with the issuance of the proposed consultancy contract.

VI. Audit and investigation

80. **Audit.** IOE's budget and expenditure shall be included in the regular annual external audit of IFAD's accounts. The Evaluation Committee may commission external budget reviews of IOE as well as ad hoc audits of IOE's compliance with various IFAD policies.

81. For any special audit of IOE proposed by the Management, the Management shall consult with the Evaluation Committee, which, in consultation with the Chair of the Audit Committee, may agree to the proposed audit, veto the proposed audit or prescribe an external audit in lieu of an audit undertaken by the Office of Audit and Oversight. The President has the right to appeal to the Executive Board if the Management's proposal is rejected.

82. **Investigation.** IOE Director and staff are held to the same integrity standards as all other IFAD staff, and subject to integrity investigations if the need arises. The President has the authority to initiate investigations through the Office of Audit and Oversight of the activities or conduct of the Director of IOE or the staff of IOE, with the results considered by the Executive Board.

Part three: IFAD's Self Evaluation System

This part of the document summarizes the purpose and key policy provisions related to the self-evaluation system that affect the functioning of IFAD's independent evaluation system.

I. Definition and purpose of IFAD's self-evaluation system

83. Self-evaluation is an evaluation by those who are entrusted with the design and delivery of a development intervention[14]. IFAD's self-evaluation system is therefore maintained by the Management, with the Programme Management Department playing the most prominent role in the process.

84. The purpose of IFAD's self-evaluation system is to ensure the performance assessment and generation of lessons, based on a review of all COSOPs and projects financed by IFAD.

85. A well-functioning self-evaluation is also essential to facilitate independent evaluations by IOE, just as a reliable accounting system is for auditing purposes.

II. Key policy provisions

86. The management will ensure that adequate human and financial resources are allocated to the implementation of a well-functioning management's self-evaluation system across the Fund.

87. IOE will undertake specific evaluation devoted to assessing the design and functioning of the self-evaluation system, or any of its components, as decided by the Executive Board.

88. At the impact level, which will be the main focus of the evaluations and reviews undertaken IOE, the self-evaluation system, at the project, country programme and corporate levels, will cover the same evaluation criteria and questions and ratings system, as enshrined in the IOE Evaluation Manual. This will allow both the IFAD

[14] Definition from the OECD/DAC Glossary of Key Terms in Evaluation and Results Based Management.

management and IOE to assess performance using a common methodology, which in turn will enable the determination of the "net disconnect" in reporting on results generated, respectively, through IFAD's independent and self-evaluation systems.

89. In this regard, IOE and the IFAD management will develop a harmonisation agreement[15], which will specify the precise areas that require adjustment in the self-evaluation system to ensure full alignment with IFAD's independent evaluation system. The harmonisation agreement will be revised periodically, as required, to ensure that the provisions above can be satisfied at all times.

90. The IFAD Management will provide IOE unrestricted and timely access to all information, data and reports generated through the self-evaluation system. IFAD management will facilitate the independent evaluation process in a way that will encourage government authorities to ensure that IOE has access to the required information, data and reports generated by them in relation to IFAD-funded country programmes and projects.

91. The Management will produce an annual Report on IFAD's Development Effectiveness, which will be discussed in the Evaluation Committee and Executive Board with IOE's written comments thereon.

[15] The first harmonisation agreement between IOE and the IFAD Management was signed in 2006.

Types of evaluations conducted by IOE

Project Evaluations

1. IOE's approach to project evaluations consists of undertaking project completion report validations (PCRV) and project performance assessments (PPAs) based the project completion reports prepared by the respective government and IFAD management. The purpose of PCRVs and PPAs is to assess the results and impact of IFAD-funded projects and to generate findings and recommendations that can inform the other projects funded by IFAD. PCRVs and PPAs are undertaken after the completion of the operation being evaluated.

2. IOE will validate a selected number of project completion reports prepared in a given year. PCRVs will not entail any field work and be mainly based on a desk review of documents. They could include interactions with the IFAD country programme manager and concerned project staff by electronic means, as appropriate.

3. A number of projects for which a PCRV has been conducted will be selected for a PPA, based on a clearly defined set of criteria[16]. Consistent with the practice in other international financial institutions, around 20-30 per cent of projects covered by PCRVs will be exposed to PPAs. The latter will entail a limited amount of field work to collect additional data and information from in-country partners.

Country Programme Evaluations

4. Country programme evaluations (CPEs) provide building blocks for the preparation of a new COSOP in the same country. CPEs essentially entail an assessment of three inter-related components including: (i) the project portfolio; (ii) non-lending activities, namely policy dialogue, partnership building, and knowledge management; and (iii) COSOP performance, in terms of relevance and effectiveness. The assessment of these three components allows CPEs to generate an overall appreciation of the partnership between IFAD and the concerned government in reducing rural poverty. All CPEs include field work.

Corporate-Level Evaluations

5. Corporate-level evaluations are conducted to assess the results of IFAD-wide corporate policies, strategies, business processes and organisational aspects. They are expected to generate findings and recommendations that can be used for the formulation of new and more effective corporate policies and strategies, as well as improve business processes and the Fund's organisational architecture, as required.

Evaluation Synthesis

6. Each year, IOE produces few evaluation synthesis on selected topics. The main aim of such synthesis is to facilitate learning and use of evaluation findings by identifying and capturing accumulated knowledge on common themes and findings across a variety of situations. Synthesising existing evaluation material allows evaluation evidence to be packaged and fed into the decision-making process when neither the time nor resources are available to undertake a full-fledged evaluation.

[16] These may include: PCRVs where more information and data is required to make an accurate assessment of project results; innovative projects that offer special opportunities for learning; projects that are likely to be covered by a forthcoming corporate level or country programme evaluation, etc.

Key elements of the terms of Reference of the Director of IOE

1. In collaboration with the IFAD management, the IOE Director will be responsible for the implementation of IFAD's evaluation policy as described in this document. The IFAD Management will be specifically responsible for implementing the provisions related to the management's self-evaluation system. They will also provide the necessary environment and support to IOE Director for implementing the policy directives related to IFAD's independent evaluation.

2. Director IOE's TOR will incorporate all the responsibilities for managing IOE as the independent evaluation function of the Fund in accordance with its rules and procedures. These responsibilities will include, inter alia:

   (i) managing IOE as an effective, efficient and independent evaluation function of the Fund;

   (ii) developing operational policies, strategies and related instruments to enhance the independence and effectiveness of the independent evaluation function;

   (iii) ensuring high-quality professional work by instituting the necessary enabling environment for and coaching of IOE staff and setting quality standards for IOE outputs;

   (iv) formulating and implementing the annual work programme and budget, and reporting directly to the Executive Board on evaluation issues;

   (v) communicating evaluation results to partners and the general public;

   (vi) assisting IFAD's operations and partner countries in their evaluation capacity development; and

   (vii) representing IFAD in the United Nations Evaluation Group and the Evaluation Co-operation Group of the multilateral development banks.