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Consistency of the Draft Evaluation Policy and the Report of the Peer Review of IFAD's Office of Evaluation and Evaluation Function

Note to Evaluation Committee members

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For: **Review**

Note to Evaluation Committee members

Document EC 2011/67/W.P.5/Add.1 -Consistency of the Draft Evaluation Policy and the Report of the Peer Review of IFAD's Office of Evaluation and Evaluation Function - was prepared by Mr Bruce Murray, the consultant who reports to the Chairman of the Evaluation Committee and assists Committee members in the follow-up to the implementation of the recommendations of the Peer Review of IFAD's Office of Evaluation and Evaluation Function. For further information on the role of the consultant, please refer to document EC 2010/64/W.P.2, Section IV, paragraph 13.

Consistency of the Draft Evaluation Policy and the Report of the Peer Review of IFAD's Office of Evaluation and Evaluation Function

A Introduction

1. The primary objective of the consultant recruited for the follow-up to the Peer Review of IFAD's Office of Evaluation and Evaluation Function is to "ensure that the main recommendations contained in the final Peer Review report have been adequately reflected". The focus of this report is on the consistency of the revised draft Evaluation Policy, to be considered at the 67th session of the Evaluation Committee, and the Report of the Peer Review.

B Overall Conclusion

2. The Independent Office of Evaluation and Management have worked together constructively to prepare the revised draft of the new Evaluation Policy. The draft Evaluation Policy is well written and is broadly consistent with the recommendations of the Report of the Peer Review. The major issues raised in commenting on the draft considered at the 66th session of the Evaluation Committee have, by and large, been satisfactorily dealt with. For the human resources, that were the most contentious issues brought to the attention of the Panel:

- The role of the President in the process for selecting the Director of the Independent Office of Evaluation has been satisfactorily clarified.
- The role of the President in the annual performance review of the Director of the Independent Office of Evaluation has been satisfactorily clarified.
- The description of the procedures to select IEO staff have been improved by requiring "the due diligence certifying the proper procedures have been followed" will be undertaken before by the Director of the Independent Office of Evaluation makes the decision and the corresponding recommendation is forwarded to the President.

3. Although the draft Evaluation Policy is in good shape, further work is needed to clarify: (i) legal issues; (ii) the role of the Evaluation Committee; and (iii) minor issues.

C Legal Analysis

4. The first recommendation of the Panel was that "The Executive Board reaffirms its commitment to the principles of IFAD's independent evaluation function and asks the General Counsel to prepare a paper for its consideration that identifies options for the necessary changes to resolve any possible legal incompatibilities between the Evaluation Policy and the Agreement Establishing IFAD in a way that fully respects the wishes of the shareholders for an independent evaluation function, as expressed under the Sixth Replenishment." Although the General Counsel prepared a paper,¹ it did not meet the intent of the Panel's recommendation.

5. The Chair's report of the 66th session of the Evaluation Committee states that "The General Counsel did not see any inconsistency with the Policy as currently drafted and therefore did not foresee the need for a further written legal opinion". This verbal assurance is comforting. However, the Evaluation Committee and Board should have a clear written record that this is so to prevent any possible confusion in the future. During an interview with the Panel, the General Counsel said that there were cases of legal

¹ Legal Issues Raised in the Report of the Peer Review of IFAD's Office of Evaluation and Evaluation Function. 6 October 2010.

inconsistencies in various IFAD policies, including the old Evaluation Policy. This should not happen.

6. The General Council should provide a written legal opinion that all elements of the Evaluation Policy are consistent with all other IFAD policies and propose changes to other policies and procedures, if necessary, to make them consistent with the new Evaluation Policy and the wishes of the shareholders as expressed in the 6th Replenishment. This will help to avoid any chance of a legal challenge on the Policy in the future.

7. One of the most contentious issues brought to the attention of the Panel was the President's 2009 decision to overrule the appointment of the Deputy Director. While the circumstances surrounding that case were complex, it is not clear if the President retains the legal power to overrule personnel decisions of the Director assuming that the due diligence process described in Para 71 b) certify that the applicable rules and procedures were followed.

8. Para 67 of the draft Evaluation Policy states that "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". However, as documented in Para 16 of the Panel's report, a legal opinion of 17 March 2009 related to the events surrounding the attempt to fill the vacant Deputy Director position in 2009 states that although all OE personnel decisions are delegated to the Director OE, "...the appointment and dismissal of OE staff remain the prerogative of the President as those functions cannot be removed, without an amendment of the Agreement Establishing IFAD (the Agreement)." Section 8(d) of the Agreement states: "The President shall head the staff and, under the control and direction of the Governing Council and the Executive Board, shall be responsible for conducting the business of the Fund. The President shall organize the staff and shall appoint and dismiss members of the staff in accordance with regulations adopted by the Executive Board." (underscoring added).

9. Two questions arise:

- (i) Is it necessary for the Board to approve modifications to the regulations referred in Section 8(d) of the Agreement?
- (ii) Does the President retain residual authority to overrule decisions of the Director of the Independent Office of Evaluation if the certification referred to in Para 71 b) is given?

D Evaluation Committee

10. Recommendation 2 of the Panel's reports states that "The Executive Board, through the Evaluation Committee, strengthens the oversight and accountability of the Office of Evaluation and its independence from Management." Although part four has been added to the draft Evaluation Policy, the role of the Evaluation Committee is described very succinctly. This is in stark contrast to the 2003 Evaluation Policy². The report of the Review Panel included extensive discussion on the role of the Evaluation Committee and the need to strengthen oversight and accountability of IEO. Because of the lack of significant coverage of the Evaluation Committee in the draft of the new Evaluation Policy, this recommendation has not been addressed. It is recognized that the Terms of Reference of the Evaluation Committee will be revised at a later date. However, the broad principles related to the Evaluation Committee should be enshrined in the new Evaluation Policy in somewhat more detail than is the case at present, with details set out in the revised terms of reference for the Committee. Ideally the revised Terms of

² The Asian Development Bank's 2008 evaluation policy has a section entitled "Role of the Development Effectiveness Committee", the committee that plays a role analogous to the Evaluation Committee.

Reference for the Evaluation Committee should be included as an appendix to the final version of the Evaluation Policy.

E Minor Issues

11. There are two minor issues to consider:
 - Future Consulting Assignments for the Director of the Independent Office of Evaluation: Consistent with good practice, Para 58 i) states that after completing the six year term, the Director is not eligible for another staff position in IFAD. The draft policy is silent on the possibility of the Director IEO undertaking consulting assignments for IFAD after the completion of the term³. The evaluation policies of most other MDBs are also silent on this issue. However, the Director General of the Independent Evaluation Group at the World Bank, the deputy and three directors are barred from future consulting assignments with the World Bank Group. The new Evaluation Policy should provide clarity on this issue.
 - Editing: Para 7: The first sentence refers to three parts of the paper but the body of the Para correctly refers to four.

³This issue was not discussed in the Panel's Report.