

Document: EC 2013/79/W.P.2  
Agenda: 3  
Date: 4 October 2013  
Distribution: Public  
Original: English

**E**



Enabling poor rural people  
to overcome poverty

## **Minutes of the seventy-eighth session of the Evaluation Committee**

### **Note to Evaluation Committee members**

#### Focal points:

#### Technical questions:

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

#### Dispatch of documentation:

**Deirdre McGrenra**  
Head, Governing Bodies Office  
Tel.: +39 06 5459 2374  
e-mail: gb\_office@ifad.org

Evaluation Committee — Seventy-ninth Session  
Rome, 4 October 2013

---

**For: Approval**

## Minutes of the seventy-eighth session of the Evaluation Committee

1. This report covers the deliberations of the Evaluation Committee during its seventy-eighth session held on 5 September 2013.
2. All Committee members attended the session (Brazil, Egypt, Finland, Germany, India, Indonesia, Japan, Nigeria and Norway). Observers were present from China and France, and Australia as a non-Member State observer. The Committee was joined by the Officer-in-Charge, Programme Management Department; the Acting Director, Independent Office of Evaluation of IFAD (IOE); the Officer-in-Charge, Office of the Secretary; the Associate Vice-President, Financial Operations Department; the Associate Vice-President, Corporate Services Department; the Associate Vice-President, Strategy and Knowledge Management Department; and other IFAD staff.
3. The provisional agenda contained eight items for discussion, as follows: (i) opening of the session; (ii) adoption of the agenda; (iii) minutes of Evaluation Committee sessions; (iv) Corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations: Matrix of recommendations regarding the efficiency of IFAD governing bodies; (v) revised action plan on enhancing IFAD's efficiency, with comments from the Independent Evaluation Office of IFAD; (vi) PowerPoint presentation on lessons learned from evaluations of monitoring and evaluation systems; (vii) final draft report of the Evaluation Committee's country visit to Viet Nam; and (viii) other business.
4. **Adoption of the agenda. The Committee discussed and adopted the agenda for its seventy-eighth session.** Three items were included under other business: (i) the process concerning the revision of the Evaluation Policy; (ii) annual report of the Evaluation Committee to the Executive Board; and (iii) access to Executive Board sessions.
5. **Minutes of Evaluation Committee sessions.** The Committee discussed documents EC 2013/78/W.P.2 and EC 2013/78/W.P.3 containing the minutes of the open portion of the seventy-sixth session of the Evaluation Committee, and the entirety of the seventy-seventh session of the Evaluation Committee. Both sets of minutes were adopted without further amendment.
6. One member requested clarification with regard to the envisioned timing of the presentation of the emerging findings from the corporate-level evaluation of the achievements of IFAD replenishments. IOE indicated that this item was scheduled to be presented at the seventy-ninth session of the Evaluation Committee, and the final report would be presented at the eightieth session, before its presentation to the 110<sup>th</sup> session of the Executive Board in December 2013.
7. **Corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations: Matrix of recommendations regarding the efficiency of IFAD governing bodies.** The Committee considered the matrix of recommendations. A revised copy thereof, reflecting the Committee's deliberations, is attached as an annex.
8. **Revised action plan on enhancing IFAD's efficiency with comments from the Independent Evaluation Office of IFAD.** The Evaluation Committee welcomed the IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency together with the comments of IOE thereon. Management was commended for its positive response to the evaluation findings and the efforts being made to improve IFAD's efficiency and effectiveness. Members thanked IOE for its constructive comments and expressed broad agreement with the IOE comments on the action plan. A number of issues were raised by Committee members, including:

- (a) **Cost implications of the action plan.** In answer to queries raised by some members, Management provided additional information on the costs related to implementation of the action plan, including details on the one-time adjustment costs. It was noted that improving efficiency and performance necessarily called for investment and would result in recurrent costs, particularly with respect to information and communications technology (ICT) solutions. One member enquired as to why the need-based differentiated allocation of resources extended beyond the period of the Ninth Replenishment of IFAD's Resources (IFAD9). Management clarified that the action plan covers both IFAD9 commitments and the results of the corporate-level evaluation of IFAD's institutional efficiency and efficiency of IFAD-funded operations (CLEE), which have implications beyond IFAD9.
- (b) **Future savings and efficiency gains.** Some members expressed their agreement with IOE's observation that opportunities for savings and efficiency gains needed to be identified, and related indicators established. In this respect, Management advised that efficiency gains were anticipated in both financial terms and in terms of impact and performance. More concrete information in this respect would be made available to the governing bodies through the progress reporting mechanisms foreseen in the action plan, namely, the Report on IFAD's Development Effectiveness and the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions.
- (c) **Thematic and country selectivity (including in-country geographical selectivity).** Regarding concerns as to whether IFAD was "spreading itself too thin", Management clarified that thematic selectivity was aligned with both the IFAD Strategic Framework and its country strategies, in order to best respond to country needs. With respect to country selectivity, it was noted that the Board's guidance would be sought in order to strike the best balance between efficiency issues – which could mean a reduction in the number of countries receiving loans from IFAD during a specific cycle – and staying true to IFAD's mandate to support rural poor people worldwide. One member highlighted the need to consider the issue of geographical selectivity within the country with a view to ensuring the sustainable development of activities undertaken. Management underscored the fact that the streamlining of the portfolio would be gradual as new, more focused projects were approved and ongoing projects with a broader scope were completed.
- (d) **Scaling-up.** Some comments were made regarding the need to focus on scaling-up inputs and outputs, i.e. mobilizing additional resources and attracting cofinancing and parallel financing at the outset in order to better promote successful and innovative approaches in a sustainable manner. The importance of partnership and the need for IFAD to further improve its own performance were both seen as key to scaling up.
- (e) **Use of external consultants versus in-house expertise.** Management agreed with IOE on the need to expand in-house expertise on core activities while rationalizing the use of consultants. Management went on to clarify that the use of external consultants was being actively monitored and that the strategic workforce plan for the coming year would also look at the reliance on consultants as part of the overall workforce. The objective was that of building expertise with respect to core activities in-house and limiting the use of external consultants to more specific and/or non-core issues.
- (f) **Time-recording system.** As the recommendation of the CLEE with respect to the time-recording system did not appear in the action plan, Management clarified that this recommendation was already being addressed in response to the commitment in this regard made under IFAD9. Management was

exploring best practices and considering an appropriate solution and time frame for implementation of such a system.

- (g) **Performance evaluation.** It was noted that while a cutting-edge staff performance evaluation system was in place at IFAD, work was ongoing to promote the culture change necessary to make the best use of that system, including through active support to managers dealing with poor performance and the design of a reward and recognition framework to encourage high performance.
  - (h) **Engagement with middle-income countries.** A number of members highlighted the importance of addressing the needs of middle-income countries (MICs) and IFAD's response thereto, also in the light of the interlinkage with additional resource mobilization. Work was ongoing in this regard, also in preparation for discussions during the IFAD10 Consultation. The planned investment in reviewing and analysing current instruments was welcomed by members as a lead up to the design of appropriate new instruments. A Committee member urged Management to embed these instruments within a clear strategy for MICs and to act quickly to ensure that IFAD's relevance in MICs was maintained and strengthened. IOE indicated that it would provide its evaluation synthesis on MICs in early 2014 and that this paper could inform IFAD's approach and strategy in MICs.
  - (i) **Quality and oversight of support services.** Noting that a comprehensive ICT strategy was in place, one member called for an overall strategy for enhancing the efficiency of support services.
  - (j) **Results and Impact Management System (RIMS) and monitoring and evaluation (M&E) systems.** Noting that the issues of weak M&E systems and the need for an improved database for RIMS were recurring topics, Management advised that work was ongoing on both these matters. Improvements to the RIMS methodology were due for completion by year-end and were aimed at ensuring a more methodologically robust system that was more consistent with country systems. The issue of M&E was being actively addressed through studies on impact evaluation with a view to identifying concrete solutions in this respect.
9. Given the clear linkages between the budget and reform processes, some members proposed that a joint meeting of the Audit and Evaluation Committees could be held to discuss the revised action plan in more detail. It was noted that the Audit Committee had been provided with the consolidated action plan and IOE comments thereto, as background to its deliberations on the high-level preview of the programme of work and budget. It was further noted that the Chair of the Evaluation Committee would attend the upcoming Audit Committee meeting and could present the deliberations of the Evaluation Committee on the action plan and its impact on the budget proposal.
  10. **It was agreed that in order to facilitate bilateral consultations between Evaluation Committee members and IFAD Management, the Secretariat would inform Board members of the focal points to be contacted for the various topics covered in the action plan. Management subsequently informed Evaluation Committee members that Shyam Khadka, Senior Portfolio Manager, Programme Management Department would serve as focal point to receive questions and refer them to the appropriate IFAD staff members.**
  11. **PowerPoint presentation on lessons learned from evaluations of monitoring and evaluation systems.** The Committee considered a PowerPoint presentation by IOE entitled Monitoring and Evaluation – A Persistent Challenge, as requested at the seventy-seventh session of the Evaluation Committee.

12. Members thanked IOE for its presentation and Management for its approach to improving IFAD's performance in terms of monitoring and evaluation. Members recognized that the challenges faced by IFAD were shared by other bilateral and multilateral donors.
13. One member pointed out that the division of responsibility between project design and monitoring and evaluation functions had been identified as a possible factor by organizations such as the Norwegian Agency for Development Cooperation (NORAD) and the United Kingdom Department for International Development (DFID). The material produced by these organizations in this regard could be of value to IFAD.
14. A question was raised regarding the possible use of grant funds to generate greater interest in enhanced monitoring and evaluation as a project management tool, along the lines of the envisioned fund for fragile states. Management clarified that grant money was currently being used to enhance the evaluation function, but that extending this to monitoring posed specific challenges.
15. **Draft report of the Evaluation Committee's country visit to Viet Nam.** The Committee considered the Chairperson's report on the Evaluation Committee field visit to Viet Nam.
16. The Evaluation Committee welcomed the report, recalling the timeliness of the visit, given the completion of the country programme evaluation for Viet Nam in December 2011 and the new country strategic opportunities programme for 2012-2017.
17. The Chairperson summarized the findings of the field visit as well as the recommendations contained therein, drawing particular attention to paragraphs 31 to 39, which dealt with topics of strategic importance to IFAD.
18. The Committee further discussed whether a specific recommendation should be made to the Executive Board regarding the number of Evaluation Committee members to be included in future Executive Board field visits.
19. **The Chairperson suggested that four Evaluation Committee members, one from each list and a self-paying member, be proposed to the Executive Board. Although some members supported the Chairperson's recommendation, there was no consensus on this item.**
20. **Other business.** Three items were presented to the Committee under other business:
  - (a) **Process concerning the revision of the Evaluation Policy.** It was recalled that the Board had approved the motion put forward by the ad hoc working group on the appointment of the Director, IOE, to have the Evaluation Committee review the revised Evaluation Policy insofar as the procedures for the appointment of Director, IOE were concerned, in line with the recommendations contained in the working group's report.  
  
In line with the process followed for the revision of the IFAD Evaluation Policy in 2003 and 2011, the Acting Director, IOE, recommended that IOE take the lead in revising the policy (in the form of an amendment to the policy as revised in 2011), in consultation with Management, and propose additional changes (in areas other than the procedures for the selection of Director, IOE, if and as needed) resulting from the experience gained in implementing the policy since its approval in May 2011. The Chairperson indicated that a dedicated session of the Evaluation Committee would be held to this end and that the amendments to the 2011 Evaluation Policy would be presented at the Executive Board session in December 2013.
  - (b) **Annual report of the Evaluation Committee to the Executive Board.** The Chair of the Evaluation Committee proposed that a single annual report of

the Evaluation Committee be prepared for submission to the Executive Board at its April sessions. This report would summarize the main strategic issues considered by the Committee in its sessions during the previous calendar year. The Committee's annual report would build on the main elements contained in the individual reports of the Chair of the Evaluation Committee prepared after each Committee session over a given year.

**In order to consider this proposal, as well as the process for the revision of the IFAD Evaluation Policy, the Chair suggested that an Evaluation Committee retreat be held to facilitate deliberations on these matters. The Committee agreed with the possibility of organizing such a retreat before the end of 2013 (possibly in October). An additional dedicated session of the Committee on the revision of the Evaluation Policy would be held as appropriate in 2013. Regarding the annual report, the Chairperson requested IOE to provide an example of a similar report produced by another international financial institution.**

- (c) **Access to Executive Board sessions.** The representative for Germany strongly urged that additional space be made available for more than one representative per Member State on the Board composition at the forthcoming Board session in September, given the large delegations intending to participate in the Board. Other members supported this request. The Secretariat advised that this would require Executive Board approval as it entailed an amendment to the Rules of Procedure of the Board. **The Chair of the Executive Board would be apprised of this request and a solution would be sought to allow additional representatives access to the Board room, if possible starting from the September 2013 session. The Chairperson of the Evaluation Committee suggested that the occasion could be used to amend the rules to allow for inclusion of the Committee Chairpersons, where said Chairpersons were not the designated representatives of their respective countries to the Executive Board, as recommended by the CLEE.**

## CLEE Governance Recommendations Matrix

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
Governing Council	Reconsider frequency of GC sessions	Paragraph 108: "However, the evaluation raises the question whether it is essential to hold the Governing Council on an annual basis. Holding the Governing Council less frequently (e.g. every two years) would save further resources and would only require Governors to delegate authority to the Board of some recurrent functions (e.g. approval of the Fund's annual administrative budget)."	EC 77 minutes: "Governing Council sessions. Diverse views were expressed regarding the frequency of sessions, i.e. whether they should be held annually or biennially. Some members proposed that, at least in years in which a Consultation on the Replenishment of IFAD's Resources was being held, the Governing Council could be foregone. Management reiterated its view that annual Governing Council sessions were important as they provided a unique opportunity for all Member States to interact with Management and with each other, and an occasion to advocate for smallholders and ensure their place on the international agenda. There was broad support for the need to conduct a study on the role, objectives and value-added of Governing Council sessions. This study would analyse the advantages and disadvantages – also in terms of cost-effectiveness – of retaining the current scheduling pattern and of altering the frequency of the session, and consider how to render the Council more strategic. It was recalled that	<p>Deliberations:</p> <p>Building on its discussion during EC77, the Committee recommends that a study be undertaken to examine the role, objectives and value-added of Governing Council sessions.</p> <p>This study should analyse the advantages and disadvantages – also in terms of cost-effectiveness – of retaining the current scheduling pattern and of altering the frequency of the session, and consider how to render the Council more strategic. It is suggested that the study include a survey of non-EB members.</p> <p>Timeline and next steps:</p> <p>Noting that plans are already under way for Governing Council sessions in 2014 and 2015, the Committee suggested that the study be undertaken by IOE in the course of 2014, with due consideration for the implications for the 2014 IOE budget.</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
			<p>this issue was scheduled for consideration by Convenors and Friends.”</p> <p>EB108 minutes: “Divergent views were expressed with regard to, inter alia:</p> <p>– Frequency of Governing Council meetings, which may be taken up by Convenors and Friends; ... Members highlighted that, in their view, the Governing Council should continue to be held on a yearly basis.”</p> <p><i>Note: Given the divergence of views on this topic, this issue is scheduled for consideration at the September meeting of Convenors and Friends.</i></p>	<p>The results of the study would be presented to a future session of the Evaluation Committee, before being submitted for consideration by the Executive Board, and final adoption of relevant recommendations by the Governing Council.</p>
	<p>Review of format – balance between governance and discussion of agricultural issues</p>	<p>Paragraph 107: “The format of the Governing Council has evolved over the years, with more attention and space to the organization of panel discussions and side events on key topics related to global agriculture and rural development. This has been appreciated by many Member States, but has reduced time for governance issues and related business items.”</p>	<p>EC77 minutes: “There was broad support for the need to conduct a study on the role, objectives and value-added of Governing Council sessions. This study would analyse the advantages and disadvantages – also in terms of cost-effectiveness – of retaining the current scheduling pattern and of altering the frequency of the session, and consider how to render the Council more strategic. It was recalled that this issue was scheduled for consideration by</p>	<p>As per above</p>



Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
			<p>Convenors and Friends.”</p> <p><i>Note: This issue is scheduled for consideration at the September meeting of Convenors and Friends.</i></p>	
	<p>Delegation of authority to the Board of some recurrent functions (including approval of the administrative budget)</p>	<p>Paragraph 108: “Holding the Governing Council less frequently (e.g. every two years) would save further resources and would only require Governors to delegate authority to the Board of some recurrent functions (e.g. approval of the Fund’s annual administrative budget).”</p> <p>Appendix I, paragraph 167.                      “A majority of respondents to the survey of Executive Board members agreed or partially agreed that the above-mentioned approval of the annual budget could be delegated to the Board ... .”</p>	<p>EB108 minutes: “Divergent views were expressed with regard to, inter alia: ... Delegation of authority for approval of the Fund’s administrative budget to the Executive Board.”</p>	<p>Deliberations:</p> <p>Noting the trade-offs inherent to increasing the level of discussion of policy matters and/or the potential reduction in the frequency of Governing Council sessions, the Committee recommends that Convenors and Friends be tasked with deliberating on these issues and developing recommendations for the Executive Board.</p> <p>Timeline and next steps:</p> <p>The Committee recommends that this issue be discussed at a future meeting of Convenors and Friends.</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
Executive Board	Review of Board agendas to focus on results, policy, strategy, evaluation and lessons learned	<p>Paragraph 112: "Meetings are carefully structured and current chairmanship is strong. However, the evaluation finds that the Board agendas are overambitious, and there is relatively little space for discussion on results, policy and strategy, evaluation and lessons learned, as compared to the amount of discussion on process- and input-oriented documents. The IEE came to a similar conclusion and recommended a shift in balance towards the former type of topics."</p> <p>Appendix I, paragraph 170.  <b>"The low frequency of Board meetings has helped to keep them focused.</b>  ...However the fact remains that there is relatively little space for discussion on results, policy and strategy, evaluation and lessons learned, as compared to the amount of discussion on process- and input-oriented documents. The need to concentrate on major issues in the scarce time available should give the Board pause for thought."</p>	<p>EB108 minutes: "The representative of the Bolivarian Republic of Venezuela requested that the minutes of the Board session reflect her country's disagreement with limiting the oversight of the governing bodies to mainly strategic issues, as proposed under recommendation 6 of the CLE. She expressed her support for Management's response to the CLE in this respect."</p> <p>EC77 minutes: <b>"Effectiveness of Executive Board sessions.</b>  ...the Committee expressed a common desire to explore ways to render Board sessions more effective and strategic. One member commented on the potential value of conducting a survey among IFAD staff to ascertain their views on the role of the Executive Board; another suggested the possibility of convening a working group to consider possible areas for efficiency gains. A suggestion was also made by one member that an extra session be added to the Board's annual calendar to ensure that issues were considered in sufficient depth. Members underlined the importance of receiving Board documents in a timely manner, so as to facilitate thorough</p>	<p>Deliberations:</p> <p>The Committee reiterated that this topic was highly interrelated with the recommendations relating to the Governing Council. The Committee recommends further deliberation on this matter by Convenors and Friends, including reflection on the related strategic issues, the possibility of a dedicated informal meeting with the President to consider strategic matters, the possibility of conducting background seminars on issues of particular technical complexity, and the need for greater focus on strategic issues in documents submitted to the Executive Board and this issue could also be considered in the study mentioned above.</p> <p>Timeline and next steps:</p> <p>The Committee recommends that Convenors and Friends be tasked with deliberating on these issues and developing recommendations for the Executive Board.</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
			<p>review by capitals. Furthermore, an Executive Board retreat with the President, Management and IOE would provide an opportunity for deeper self-reflection on the role and performance of the Board. Questions were raised with regard to the advisability of the President serving also as Chairperson of the Board."</p>	
	<p>Delegate authority to the President to approve new loans and grants</p>	<p>Paragraph 113: "One way to free up space on the Board's agenda would be to delegate authority to the President to approve new loans and grants. A system could be put in place for the Board to be enabled to have a discussion on a specifically innovative project or otherwise of particular, including political, interest, but this would be an exception rather than the rule. This is consistent with the recommendation of the IEE and it would lead to cost savings, including in the translation of documents."</p> <p>Appendix I, paragraph 170: "However, there are still items on the agenda that in principle could be delegated to the President, particularly the approval of loans and grants. After the introduction in 2011 of lapse-of-time approval for loans below US\$15 million, recently raised to US\$25 million, about 60 per cent of them are still scheduled for discussion. The survey of EB members showed that a large majority do not favour cutting back on this item or delegating it fully to the President ... ."</p>	<p>EB108 minutes: "Divergent views were expressed with regard to, inter alia: ... Delegation to the President of approval of projects and programmes;... she [The representative of the Bolivarian Republic of Venezuela ] did not support the proposal to delegate approval of all loans and grants to the President, since the approval of resources for projects was one of the main functions of the Executive Board. Concerns in this regard were also echoed by other Board members."</p> <p>EC77 minutes: "<b>Delegation of authority to the President for the approval of project and programme proposals.</b> There was broad agreement that approval of project and programme proposals should remain within the purview of the</p>	<p>Deliberations:</p> <p>The Evaluation Committee reiterated the trade-offs mentioned above and some members indicated their willingness to consider further delegation of authority to the President to approve new loans and grants, while others were reluctant.</p> <p>The Committee underlined the importance of considering Board approval of COSOPs.</p> <p>Timeline and next steps:</p> <p>The Committee recommends that this issue be referred to Convenors and Friends, and that resulting recommendations be submitted for the consideration of the Executive Board at a future session.</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
			<p>Executive Board, as this fostered greater involvement in IFAD's core operations and interaction with country offices and staff. However, consideration could be given to increasing the financing ceiling for proposals submitted for Board approval under the lapse-of-time procedure and by correspondence. IOE provided clarification that the spirit of the recommendation was that the Executive Board would nonetheless retain the right to request that a particular proposal be considered during a formal Board session. In addition, it was suggested that due consideration be given to the option of having the Board approve country strategic opportunities programmes (COSOPs), inclusive of resource frameworks."</p>	<p>The Committee recommends that the proposal to have COSOPS approved by the Executive Board be forwarded directly to the Executive Board for its consideration.</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
	Code of Conduct for Board members	<p>Paragraph 114: "the evaluation notes the lack of a Code of Conduct for Board members – a normal integrity requirement in other IFIs. For example, there have been instances when IFAD Board members have applied for staff positions at IFAD. There is no reason why Board members should not be allowed to join as staff members through the regular competitive process, but as in other institutions, this should be allowed only following an established "cooling off" period after completion of their Board assignment."</p> <p>Appendix I, paragraph 172:  <b>"Basic governance standards demand a Code of Conduct for Board members as an integrity requirement and such a Code is a normal feature for an IFI.</b> Particular importance is attached by Management and a number of Board members to the introduction of a cooling-off period. For example, there have been instances of pressure to appoint sitting members to staff and management positions in IFAD, including in IOE. This contravenes the separation of powers needed for the supervisory role of the Board. The issue of a Code of Conduct has been around for a number of years. A code should at least rule on conflict of interest, acceptance and granting of gifts, and a cooling-off period."</p>	<p>EB108 minutes: "Divergent views were expressed with regard to, inter alia: ... Development of a Code of Conduct for the Executive Board (it was agreed that this issue, which had been the subject of an Executive Board informal seminar, would be considered by Convenors and Friends with a view to reverting to the Executive Board)"</p> <p>EC77 minutes: <b>"Code of conduct for Executive Board representatives.</b></p> <p>A number of members expressed their support for this initiative and the Committee noted that this issue would be considered by Convenors and Friends at its forthcoming meeting on 30 July."</p> <p><i>Note: At Convenors and Friends this issue was held over to allow for consultations with capitals. It will be re-introduced at the September session of Convenors and Friends.</i></p>	<p>Deliberations:</p> <p>The Committee expressed its strong support for the development of a Code of Conduct for Board members, and noted that this item is currently under discussion by Convenors and Friends, including the consideration of concrete options prepared by the Office of the General Counsel.</p> <p>Furthermore, the Committee endorsed the value of benchmarking with other institutions.</p> <p>Timeline and next steps:</p> <p>The Committee noted that the issue is scheduled for further consideration at the November meeting of Convenors and Friends.</p>
	Introduction of broad guidelines to facilitate the selection by Member	Paragraph 115: "The heterogeneity of the background of IFAD Board members – due to its hybrid nature as both a specialized agency of the United Nations and an IFI –	EC77 minutes: <b>"Code of conduct for Executive Board representatives.</b>	<p>Deliberations:</p> <p>The Committee noted that a complex variety of factors figure in the selection of Executive</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
	States of their Board representatives	<p>enhances diversity of views and perspectives in the deliberations. At the same time, IFAD also lacks guidelines for the qualifications (e.g. in terms of experience and expertise) of Board representatives in contrast notably to other IFIs. Though sovereign Member States are entitled to nominate anyone they deem suitable as their Board representative, the introduction of broad guidelines to facilitate the selection by Member States of their Board representatives could contribute to the quality of the debate and efficiency."</p> <p>Appendix I, paragraph 171:  <b>"The non-residence of the Board and the fact that Member States rather than individuals with fixed-term appointments are members may explain the absence of qualification guidelines and a Code of Conduct for representatives of Member States in the Board.</b></p> <p>While the heterogeneity of the Board must be accepted, a job description or broad qualification guidelines could be helpful to Member States in selecting their representatives and improve the available expertise in the Board. On the occasion of a necessary amendment to the Agreement, the Governing Council may wish to make up for the absence of guidelines."</p>	<p>to establish terms of reference for Executive Board representatives, IOE clarified that broad guidelines rather than detailed terms of reference were envisaged. One member suggested that targeted introductory orientation sessions could be organized for Board members."</p> <p><i>Note: At Convenors and Friends this issue was held over to allow for consultations with capitals. It will be re-introduced at the September session of Convenors and Friends.</i></p>	<p>Board representatives. The Committee recommended that further consideration of the guidelines be delayed pending the approval of a Code of Conduct by the Executive Board.</p> <p>Timeline and next steps:</p> <p>Once the question of the Code of Conduct is resolved, the Committee recommends that Management draft proposed guidelines for consideration by Convenors and Friends, before submission to a future session of the Executive Board.</p>
	Allow ex-officio access to the Board room to Committee chairs when these are not the same as EB representatives	Paragraph 116: "Currently, only the Board representative or his/her designated representative is permitted to take part in Board meetings. There have been instances when the Chairs of the Evaluation and/or Audit Committee have been based in their country's embassy in Rome, but are not the	EB108 minutes: "Divergent views were expressed with regard to, inter alia: ... Number of Member State representatives having access to Board meetings"	Deliberations:  The Committee strongly recommends that the Chairpersons of the Audit and Evaluation Committees be invited to sessions of the

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
Audit Committee	Full disclosure of AC documents	<p>designated Board representative. This has caused challenges during Board meetings when the actual Board representative attends, as the Chairs of the Committee under the above circumstances would not be allowed into the Board session, unless the Board representative vacates his/her seat. This limits efficiency and effectiveness, and could be easily resolved if Committee chairs were allowed ex-officio access."</p> <p>Appendix I, paragraph 173:  <b>"The Board suffers from weaknesses that are inherent in non-residence, IFAD's hybrid nature as both an IFI and a United Nations organization, and the fact that it works in a politically inconspicuous niche.</b></p> <p>... At times the anomaly arises that a committee chairperson, based in Rome, is not the formal appointee of his country to the Board. In that case, the limitation of access to Board meetings to the appointee precludes the chairperson from attending. A practical solution would be to grant committee chairs ex officio access."</p> <p>Paragraph 117: "...In addition, they [the AC] review other important documents that are not placed before the Board. All Evaluation Committee documents are made publicly available through the IFAD website, which is not the case for the Audit Committee and this might be worth considering towards strengthening efficiency in communication, transparency and accountability."</p>	<p>EC77 minutes: <b>"Effectiveness of Executive Board sessions.</b></p> <p>... On a logistical point, a number of members expressed support for the recommendation that two representatives for each country on the Executive Board be allowed access to Board sessions. Moreover, the Chairpersons of the Audit and Evaluation Committees should have permanent seats in the Board room in addition to those already held by their countries' Board representatives. One member called for Board representatives to be granted access to sessions of the Governing Council."</p> <p>EC77 minutes: <b>"Disclosure of Audit Committee documents.</b> Committee members were advised that while these documents were not subject to disclosure under the IFAD Policy on the Disclosure of Documents, the Board could decide to expand the policy in the interests of increased</p>	<p>Executive Board in those cases where the Chairpersons are not the designated Executive Board representatives of their respective countries.</p> <p>Consideration could be given to the inclusion of more than one delegate per country, subject to logistical limitations.</p> <p>Timeline and next steps:</p> <p>A resolution to this effect will be submitted to the 109<sup>th</sup> session of the Executive Board.</p> <p>Deliberations:</p> <p>The Evaluation Committee sought clarification on the nature of Audit Committee documents for which disclosure would be restricted.</p> <p>Timeline and next steps:</p> <p>The Committee noted that the</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
		Appendix I, paragraph 175: "All EC documents are made publicly available through the IFAD website, which is not the case for the AC. This might be worth considering towards strengthening transparency and accountability."	transparency. However, given the nature of some documents presented to the Audit Committee, a certain restriction on disclosure might need to be retained."	action plan and IOE comments have been provided to the Audit Committee as background for the discussion of the 2014 budget proposal at its September meeting.  The Committee recommends that the Audit Committee review the Disclosure Policy as it relates to Audit Committee documents and report back to the Executive Board.
	Acquire outside professional/technical expertise to support its oversight of IFAD's finances	Paragraph 118: "The evaluation finds that, in line with the trend in the financial and business sectors in general, the Audit Committee should consider acquiring outside professional/technical expertise to support its oversight of IFAD's finances."  Appendix I, paragraph 174: <b>"Committee preparation in support of the Board, as in all the IFIs, proves to be essential to the Board's ability to deal with strategic and policy issues and carry out its fiduciary duties.</b> ... There are opportunities to strengthen the role of the AC in IFAD. Present-day audit committees of companies and financial organizations, including the IFIs, require expertise on controls and risk management among their membership. Recent professionalization and reform of the financial management of IFAD have raised the level at which financial issues need to be discussed. The experience in the business sector is that benefits can be gained from		Deliberations:  The Evaluation Committee requested the guidance of the Audit Committee on the need for technical support, and the costs that this would imply.  Timeline and next steps:  The Committee recommends that the Audit Committee review this issue and report back to the Executive Board, paying special attention to the possible cost implications of utilizing external expertise.



Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
		attracting outsiders with the requisite background as members of or advisors to ACs. The 2009 TOR of the AC only allow it to bring in external expertise in exceptional circumstances subject to budgetary space. An amendment to the TOR would be needed to make the presence of outside advice the norm for those meetings in which the AC's oversight of financial issues is at stake."		
	Enhance reports of AC to the EB, highlighting recs and remaining controversial issues	<p>Paragraph 118: "However, the reports of the two Committees to the Board do not always indicate clearly the recommendations they would like the Board to adopt and remaining controversial issues for the Board to consider. To do so systematically would allow the Board to focus on selected issues and enhance efficiency."</p> <p>Appendix I, paragraph 177:  <b>"The rapidly evolving demands on Governing Body members for strategic guidance and oversight of IFAD's changing business model are not yet receiving adequate attention from Board members and Management itself.</b>  ... The scope, quality and timeliness of its reporting to the Board are a major determinant of the Board's ability to fulfil its supervisory duties adequately and hold Management accountable. Committee discussion must focus on what matters and chairpersons' reports to the Board on the recommendations of the Board and on what requires further discussion."</p>	EC77 minutes: <b>"Clarity of Committee reports to the Board.</b> The Secretariat took note of suggestions for improved clarity, particularly with respect to recommendations for the Board."	<p>Deliberations:</p> <p>The Evaluation Committee strongly supports the enhancement of official records submitted for to the Executive Board for consideration.</p> <p>Timeline and next steps:</p> <p>The Office of the Secretary will ensure observance of this recommendation.</p>
Evaluation Committee	Enhance reports of the EC to the EB, highlighting	Paragraph 118: "However, the reports of the two Committees to the Board do not always indicate clearly the recommendations they	EC77 minutes: <b>"Clarity of Committee reports to the Board.</b> The Secretariat took	As per above

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
	recommendations and remaining controversial issues	<p>would like the Board to adopt and remaining controversial issues for the Board to consider. To do so systematically would allow the Board to focus on selected issues and enhance efficiency.”</p> <p>Appendix I, paragraph 177:  <b>“The rapidly evolving demands on Governing Body members for strategic guidance and oversight of IFAD’s changing business model are not yet receiving adequate attention from Board members and Management itself.</b>  ... The scope, quality and timeliness of its reporting to the Board are a major determinant of the Board’s ability to fulfil its supervisory duties adequately and hold Management accountable. Committee discussion must focus on what matters and chairpersons’ reports to the Board on the recommendations of the Board and on what requires further discussion.”</p>	note of suggestions for improved clarity, particularly with respect to recommendations for the Board.”	
Convenors and Friends	Document decisions in the minutes of Convenor and Friends meetings to provide transparency to the process as well as improve flow of communication and information	Paragraph 119: “Given the Board’s non-resident nature, IFAD has an informal mechanism for ensuring continuity of dialogue among Member States and IFAD Management between Board meetings, known as the “List Convenors and Friends”. Important matters are raised and often resolved through this platform. However, it remains an informal platform. It may be worth considering establishing a practice of documenting decisions in the minutes of their meetings to provide transparency to the process as well as improve flow of communication and information, as is done by the other subsidiary bodies of the Board.”	EC77 minutes: <b>“Convenors and Friends.</b> In answer to some queries regarding reporting procedures for Convenor and Friends meetings, the Committee was advised that notes of the meetings of Convenors and Friends with the President were drawn up and distributed to meeting participants. Such notes could be distributed within the Lists by the respective Convenors; this would also have the benefit of allowing all members to provide	<p>Deliberations:</p> <p>The Evaluation Committee strongly supports enhancing the guidance provided in the records of Convenors and Friends meetings.</p> <p>Timeline and next steps:</p> <p>List Convenors have been encouraged to share notes from Convenors and Friends with list members.</p>

Governing body	Recommendations and actions	CLEE reference	Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue	Deliberations at EC78 (Sept. 2013)
			input to the agendas of these meetings.”	
Classification of IFAD Member States into three Lists	Review the relevance of the List system	<p>Paragraph 121: “This concerns the classification of IFAD Member States into three Lists (A, B and C). This is a fundamental question, as the List system has far-reaching implications for governance, voice and representation, and therefore effectiveness and efficiency of the entire Governing Bodies architecture of IFAD. The List system (or Categories I, II and III as they were previously called) was appropriate when IFAD was established. However, it might be worth considering if the List system is still relevant in today’s global context, especially in light of the economic, developmental and geopolitical evolution of IFAD Member States over the years. The evaluation has not dwelled on this extensively, but it is a topic that has efficiency implications and will need to be addressed in the future.”</p> <p>Appendix I, paragraph 163:  <b>“One of IFAD’s strengths is that the constituent elements of its Governing Bodies, particularly of the Board, do not feel underrepresented.</b>  ... The division of the membership into A, B and C Lists ensures that the three groupings (roughly OECD, OPEC and developing countries) which constituted IFAD from the start are always represented in meetings. The role of constituencies in the A and B Lists is complementary to the List system and consists in regulating alternation between members and alternates or temporary absence from the Board. In the C</p>	<p>EB108 minutes: “Divergent views were expressed with regard to, inter alia:  The List structure; ...  – Rotation and membership of governing bodies.”</p>	<p>Deliberations:</p> <p>The Evaluation Committee, considering the vital importance, sensitivity, and complexity of this issue, noted that information to be included in the corporate-level evaluation of the replenishment process would provide further input on this topic. The Committee noted that this issue is likely to become more salient as IFAD looks to the future.</p> <p>Timeline and next steps:</p> <p>The CLEE recommends that the issue be revisited subsequent to the submission of the final CLE on replenishments.</p> <p>Following this discussion, the issue may be an appropriate topic for consideration during the IFAD10 Consultation.</p>

<b>Governing body</b>	<b>Recommendations and actions</b>	<b>CLEE reference</b>	<b>Deliberations at EB108 (April 2013) and EC77 (June 2013), as relevant for each issue</b>	<b>Deliberations at EC78 (Sept. 2013)</b>
		<p>List, three sub-Lists fulfil a similar role. At the same time, it should be noted that the List structure has entailed a rigidity in Board (and committee) representation by allocating a fixed number of chairs to each List. This would not be a problem if the relative contributions of the Lists to replenishments had remained steady. However, the contribution of the B List has declined severely over time and that of the C List has strongly increased. While perhaps not of acute urgency, this issue should not be neglected."</p>		