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Management comments on the proposal for a peer review of the evaluation function at IFAD

Note to Evaluation Committee members

Focal points:

Technical questions:

Périn Saint-Ange
Associate Vice-President
Programme Management Department
Tel. +39 06 5459 2448
e-mail: p.saintange@ifad.org

Lisandro Martin
Chief
Operational Programming and Effectiveness Unit
Programme Management Department
Tel.: +39 06 5459 2388
e-mail: lisandro.martin@ifad.org

Dispatch of documentation:

William Skinner
Chief
Governing Bodies Office
Tel.: +39 06 5459 2974
e-mail: gb_office@ifad.org

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For: Review

Management comments on the proposal for a peer review of the evaluation function at IFAD

1. Background. Management welcomes the ongoing discussion with the Evaluation Committee on the undertaking of an assessment of IFAD's independent evaluation function. This would be a timely undertaking and in line with international good practice, also given that the last assessment, which led to the Executive Board's adoption of the Evaluation Policy in May 2011, was completed more than six years ago. Such an assessment would further strengthen IFAD's credibility as a multilateral development organization strongly committed to promoting accountability and learning for better development and institutional effectiveness and efficiency.
2. The peer review. The document prepared by the Independent Office of Evaluation of IFAD (IOE) on the topic¹ proposes that a peer review, to be carried out by the Evaluation Cooperation Group (ECG) of the multilateral development banks (MDBs), be used as the mechanism for assessing IFAD's independent evaluation function. However, Management believes that alternative mechanisms should be considered for the reasons outlined below.
3. In the development evaluation industry, peer reviews are no longer considered as adequate instruments for conducting such assessments because of the potential and perceived conflicts of interest inherent in such processes. A paper by the European Bank for Reconstruction and Development, prepared for the forthcoming ECG meeting on 30 November to 1 December 2016, notes that only one peer review has ever been undertaken by the ECG (the one covering IFAD in 2009-2010) and questions the relevance of the peer review as an instrument for assessing independent evaluation functions. The paper advocates for the introduction of a system that is more objective and credible for assessing the evaluation functions of ECG members.
4. Although peer reviews have been used more frequently within the United Nations Evaluation Group (UNEG), of which IFAD is a member, similar concerns are also being raised by its members. The evaluation function of the Food and Agriculture Organization of the United Nations (FAO) underwent a UNEG peer review some years ago. The report was not considered sufficiently objective by FAO Management and its Programme Committee; therefore an independent external evaluation of FAO's evaluation function was carried out in 2016. Similarly, in the recent past, the African Development Bank (AfDB) (an ECG member), decided not to pursue an ECG-led peer review, but rather conducted an assessment using external consultants.
5. The role of the ECG. Given IFAD's governance structure and operating model, and the fact that its independent evaluation function is comparable to those of other MDBs, it is appropriate that ECG standards be used as a starting point for the IFAD exercise. Beyond that, however, the role of the ECG should be carefully considered, also because the Director, IOE, will act as chair of the ECG for 2017. Moreover, the fact that IOE conducts joint evaluations with other ECG members should be considered in determining a possible role for the ECG in the process.
6. Independence of the evaluation of IFAD's evaluation function. It is fundamental that any evaluation of IFAD's independent evaluation function be conducted in a transparent and independent manner, following similar norms and standards to those observed by IOE within IFAD's broader organizational architecture. The experience and lessons emanating from the 2009/2010 ECG peer review of IFAD's evaluation function should be taken into account, in particular the manner in which the forthcoming evaluation is designed and implemented. For

¹ EC 2016/95/W.P.4/Rev.1.

instance, although the 2009/2010 peer review was conducted by the ECG, IOE managed its budget; proposed, contracted and managed the consultants; and was ultimately the main interlocutor between IFAD, its governing bodies and the ECG. This created a degree of concern about the credibility of the exercise and affected the dialogue among the various stakeholders.

7. Budget and management of the process. Based on the experience of the 2009/2010 peer review, Management proposes that a more independent organizational arrangement be considered for the management of this evaluation process. For instance, IOE should not be responsible for managing the budget, drafting the terms of reference, proposing the consultants for the Evaluation Committee's endorsement and ensuring their administration, or managing the overall process. This would enhance the independence, objectivity and credibility of the process and outcomes.
8. In this regard and as per past practice in IFAD and other organizations, the Executive Board should commission the evaluation, upon the recommendation of the Evaluation Committee. Given its role in supporting IFAD's governing bodies, the Office of the Secretary (SEC) could be tasked with managing the evaluation. SEC has been assigned similar responsibilities recently, for example in the context of the Working Group on Governance (2016) and in the selection process of the Director, IOE (2014). Management and IOE would nonetheless have critical roles throughout the evaluation process, inter alia, by sharing information and documents and engaging with the evaluators to facilitate their tasks.
9. The approach paper. Paragraph 6 of the paper underlines that an approach paper (which should include the terms of reference) will be developed and "approved" by the Evaluation Committee. However, in line with its terms of reference and rules of procedure, the Evaluation Committee is an advisory organ of the Executive Board and not vested with decision-making authority. Moreover, given the importance of the exercise, the wider ownership and participation of Board members must be ensured. Management therefore considers it more appropriate that the approach paper be reviewed by the Evaluation Committee, and thereafter be submitted to the Board for approval.
10. Workload implications and timing. Management agrees that such an evaluation is likely to have workload implications for IOE, but it will also have an impact on staff time across IFAD and on its governing bodies. Notwithstanding, and given the transition in the Fund's leadership in early 2017, it would be useful to conduct the evaluation within a shorter time frame. Management therefore believes that the proposed approach paper should be developed earlier and submitted to the Board for approval in September 2017. This would allow the evaluation to be completed by mid-2018 and its recommendations implemented soon thereafter.
11. Scope of the evaluation. Paragraph 12 of the paper suggests that the performance of IFAD's self-evaluation system be included within the scope of proposed evaluation. In this regard, Management would like to highlight that the self-evaluation function has undergone several extensive independent evaluations by IOE in recent years at the institutional level, particularly within the context of the Annual Report on Results and Impact of IFAD Operations (ARRI), and the corporate-level evaluations on efficiency (2013), replenishments (2014) and the performance-based allocation system (2015). Critical elements of the self-evaluation systems (monitoring and evaluation, the Results and Impact Management System, supervision reports, midterm reviews, project completion reports and project status reports, etc.) are being continuously evaluated independently by IOE based on rigorous methodologies through its regular evaluation work.
12. IOE evaluations of IFAD's self-evaluation system have generated numerous recommendations, with resource implications for IFAD, which Management is in the

process of implementing. A key initiative is the introduction of a corporate Development Effectiveness Framework, which will be presented to the Board in December 2016. Another example is the provision of a US\$3.5 million grant in 2016 to the Centers for Learning on Evaluation and Results (CLEAR) Initiative for the training and capacity-building of country-level stakeholders in monitoring and evaluation.

13. Therefore taking into account the additional time and resource implications of expanding the scope of the evaluation, Management believes that the exercise should be confined to IFAD's independent evaluation function, as initially suggested by the Evaluation Committee.² This would also allow Management to consolidate ongoing reforms and implement planned new initiatives to strengthen the self-evaluation architecture.
14. Frequency of evaluations of IFAD's independent evaluation function. The paper notes that peer reviews should be conducted "at regular intervals, for example every 10 years" (para. 13). It is worth noting that according to prevailing ECG guidance it is advisable to conduct assessments of the independent evaluation functions in MDBs every five years, whereas FAO is mandated by its governing bodies to conduct an independent evaluation of the evaluation function every six years.

² Minutes of the ninety-third session of the Evaluation Committee.