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

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For: Review

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

1. Background. Management is pleased to remain engaged in the consultations on the undertaking of an assessment of IFAD's independent evaluation function and to have an opportunity to provide comments. The Independent Office of Evaluation of IFAD (IOE) plays a critical role as an independent oversight entity for IFAD, fulfilling the accountability and learning functions for the institution and improving the effectiveness of its operations, based on past experience. IFAD Management supports these efforts and finds the proposed undertaking timely, important and useful. The review is expected to provide comprehensive findings and suggestions to further enhance the impact and utility of IOE's work. It is also expected to provide a valuable analysis of the alignment between IOE's work and the evolving strategic directions of the Fund. This will ensure IOE's relevance and strengthen IFAD's accountability and learning frameworks for better development and institutional effectiveness. In addition, the objectives of the review are in keeping with the recent joint undertaking by IOE and IFAD Management to revise the harmonization agreement between the Fund's self-evaluation and independent evaluation systems.

2. Peer versus external review. Management expressed concern to the Evaluation Committee (document EC 2016/95/W.P.4/Rev.1/Add.1) about whether a peer review by the Evaluation Cooperation Group of the multilateral development banks was a suitable instrument for the assessment. The established practice in the development evaluation field is for the evaluation function to undergo an independent external review rather than a peer review. Peer reviews can play a complementary role (e.g. sharing of best practices); however they are not considered to be adequate instruments for assessing accountability functions due to the potential and perceived conflicts of interest inherent in such processes.

3. In 2015, an independent external review of the Independent Evaluation Group of the World Bank Group (IEG) was undertaken.[1] The findings were enthusiastically received by the Executive Board of the World Bank Group, leading to the drafting of a joint action plan by the IEG and Management of the World Bank Group to implement the review's recommendations, which was endorsed by the Committee on Development Effectiveness. The second recommendation of the external review was for an independent external review to be conducted every five years. The report emphasized that regular and comprehensive independent external reviews of evaluation units are a good practice standard among the multilateral development banks (MDBs) for accountability, new ideas and ways of thinking about their overall role, strategy and processes, and learning and continuous improvement purposes.

4. In recent years a number of other independent evaluators of MDBs were subject to independent external reviews. In 2004, another such review was undertaken for the World Bank Group. Similarly, an independent external review for the African Development Bank was carried out in 2005 and for the Asian Development Bank in 2008. Two independent external reviews were conducted in 2011: one for the Inter-American Development Bank and one for the International Monetary Fund. All of these institutions (and also the European Bank of Reconstruction and Development) were also subject to comprehensive self-evaluations between 2010-2012, which played a complementary role to the independent external evaluations.

5. Although peer reviews have been used more frequently within the United Nations Evaluation Group (UNEG), of which IFAD is a member, concerns regarding potential or perceived conflict of interest are also being raised by UNEG member

[1] https://ieg.worldbankgroup.org/evaluations/external-review-independent-evaluation-group.

organizations. The peer review report for the Food and Agriculture Organization of the United Nations (FAO) was not considered sufficiently objective by FAO Management and its Programme Committee, and an independent external evaluation of FAO's evaluation function was subsequently carried out in 2016. For similar reasons, an ECG member – the African Development Bank – decided not to pursue an ECG-led peer review, and instead conducted an assessment using external consultants.

6. Scope of the evaluation. While agreeing that the self- and independent evaluation functions are closely linked, Management believes that it is important to maintain a clear distinction between the two. Paragraph 10 of the revised proposal suggests including the performance of IFAD's self-evaluation function within the scope of the proposed review. Management would like to reiterate 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.

7. 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. This would also allow Management to consolidate ongoing reforms and implement planned new initiatives to strengthen the self-evaluation architecture.