

Chair's Summary of Meeting of the Board of Directors

15 December 2008

Policy Paper on the Review of the Independence and Effectiveness of the Operations Evaluation Department

1. The Board of Directors unanimously approved the R-paper on the *Review of the Independence and Effectiveness of the Operations and Evaluation Department* (OED). The Directors expressed appreciation for the efforts of the ad-hoc working group in preparing the new policy paper and noted that it should put ADB at the forefront of international best practices.
2. The Directors highlighted the importance of the evaluation function in development institutions like ADB which have put increased emphasis on development results, both to ensure accountability of results and to improve operational performance. They emphasized the importance of finding the right balance between independence and effectiveness (i.e., independence should not be viewed as an end in itself, but rather as a means towards greater development effectiveness in ADB's developing member countries [DMCs]).
3. Several Directors welcomed the proposed changes to strengthen the selection process and performance assessment of director general, OED, as well as the increased emphasis given to previous evaluation experience and ensuring a healthy balance between internal and external candidates when recruiting new OED staff.
4. The Directors endorsed the proposed name change from Operations Evaluations Department to Independent Evaluation Department to reflect OED's enhanced independent status. However, some Directors noted that this change in name should not reflect any changes in OED's mandate, which should remain primarily focused on topics of relevance to ADB's operations.
5. Several Directors welcomed the increased importance given in the paper to ensuring meaningful and effective consultations with DMC governments, throughout the evaluation process. One Director noted that clear guidelines should be developed for this purpose.
6. One Director supported the initiative to develop a more rigorous system to monitor actions taken and follow-up on OED recommendations, but highlighted the importance of further improving the quality of OED's recommendations in this context.
7. Finally, several Directors noted that under the new policy, the role of the Development Effectiveness Committee (DEC) would be considerably strengthened, and, in this context, the terms of reference of the DEC should be reviewed and amended to ensure consistency with the new policy. Several Directors noted that the Board should examine how members of Board committees and Chairs are selected.