

**ASIAN DEVELOPMENT FUND (ADF)
ADF IX DONORS' MEETING
Copenhagen, 9-10 October 2003**

**ENHANCING THE INDEPENDENCE AND EFFECTIVENESS
OF THE OPERATIONS EVALUATION DEPARTMENT
(PRELIMINARY DRAFT FOR CONSULTATION)**

**Asian Development Bank
September 2003**

ABBREVIATIONS

ADB	—	Asian Development Bank
ADF	—	Asian Development Fund
BPMSD	—	Budget, Personnel and Management Systems Department
CODE	—	Committee on Development Effectiveness
DEC	—	Development Effectiveness Committee
DGO	—	Director General, Operations Evaluation
DMC	—	developing member country
EVD	—	Operations Evaluation Department
IEO	—	Independent Evaluation Office
IMF	—	International Monetary Fund
KMC	—	Knowledge Management Committee
OECD	—	Organisation for Economic Co-operation and Development
OED	—	Operations Evaluation Department
OEO	—	Operations Evaluation Office
OPEV	—	Operations Evaluation Department
OVE	—	Office of Evaluation and Oversight
PED	—	Project Evaluation Department

CONTENTS

	Page
I. BACKGROUND	1
II. THE PRESENT ORGANIZATION FRAMEWORK AND OED INDEPENDENCE	3
III. PROPOSED CHANGES	4
IV. BUDGET IMPLICATIONS	7
V. RECOMMENDATION	7
APPENDIX	8

I. BACKGROUND

1. As part of a reorganization exercise, in 1978 the Asian Development Bank (ADB) established its Post-Evaluation Office. Since its establishment, the office's role has evolved and grown. In 1999, the office was renamed Operations Evaluation Office to reflect its changed and broader mandate. Finally, reflecting the increasing importance of operational evaluation activities within ADB as well as the growing concern in the international development community for enhancing development effectiveness, OEO was upgraded and renamed the Operations Evaluation Department (OED) in March 2001.

2. OED undertakes evaluation activities to help the ADB management and decision-makers in the developing member countries (DMCs) who are responsible for planning, designing, and implementing projects and programs to understand whether resources are well spent, and whether the planned outcomes are achieved. The principal goals of evaluation are to distill lessons learned for future operations and disseminate them internally and externally, to ensure accountability for use of resources for improving development effectiveness, and to follow up on evaluation recommendations to sustain project benefits.

3. At present, OED's principal responsibilities include the following:¹

- (i) carrying out independent postevaluation of ADB-financed projects and programs by preparing project and program performance audit reports to (a) assess objectively the effectiveness of the projects and programs in promoting economic and social development of ADB's DMCs; (b) provide useful lessons from experience for improving the design and implementation of future projects; and (c) evaluate the development impact of ADB lending;
- (ii) undertaking impact evaluation, special, and country-specific studies on selected issues or topics of broader relevance to ADB's future operations, practices, and procedures;
- (iii) preparing an annual review of all postevaluation reports and studies completed during the preceding year, highlighting the major findings and conclusions;
- (iv) formulating, initiating, and coordinating action programs to assist the DMCs in developing and strengthening their own evaluation capabilities for projects and sectors financed by ADB and, where appropriate and mutually beneficial, participating in such efforts jointly with other international development finance institutions;
- (v) reviewing and commenting on draft project and program completion reports as well as other ADB Board documents, including country strategy studies, with a view to providing effective feedback to concerned operations divisions and departments;
- (vi) disseminating within ADB, through the Post-Evaluation Information System as well as by workshops and seminars, important findings and lessons learned from postevaluation studies;
- (vii) following up with departments and offices concerned (and, through them, the project authorities concerned) the steps taken to implement recommendations made in postevaluation reports and studies, and reporting thereon to the President;

¹ *Administrative Order No 1.02, Organization Bulletin*, 12 March 2003.

- (viii) carrying out independent evaluation of ongoing ADB-financed projects and programs and preparing an annual report on portfolio performance, and any other portfolio evaluation reports as required; and
- (ix) serving as the focal point for all ADB interaction with the Development Effectiveness Committee (DEC).

OED prepares two annual reports—the *Annual Report on Evaluation Activities* and the *Annual Report on Loan and Technical Assistance Portfolio Performance*.

4. OED's current responsibilities also include (i) harmonizing evaluation criteria and methods, procedures, and evaluation governance among multilateral development banks, while recognizing the distinct features of each; (ii) assisting evaluation capacity building in DMCs, and (iii) reviewing new operations to ensure incorporation of lessons from evaluations and appropriate monitoring and evaluation frameworks.

5. OED is headed by a director general with the same seniority as the heads of ADB's operations departments. OED has 24 professional staff (including the director general), 7 national officers, and 9 administrative staff. In carrying out its work program, OED receives further support from consultants to fill in the resource gaps in the internal skills mix.

6. Organizationally, OED is independent of ADB's operational, policy, and strategy departments and the director general reports directly to the President. This organizational arrangement is intended to provide OED sufficient leeway and authority within the institution to exercise its independent judgment, without fear of repercussion from operations departments, to report its findings freely, and to have direct access to the President.

7. In December 2000, ADB's Board established a new standing committee, the DEC, to assist the Board in ensuring that ADB's programs and activities are achieving their desired development objectives and making efficient use of ADB resources.² The DEC reviews the annual work program of OED, the annual report on evaluation activities and other selected OED evaluation reports, the annual program for preparation of project and technical assistance completion reports, and the annual report on loan and technical assistance. In addition, the DEC reports to the Board on high-priority evaluation issues and implementation of its suggested actions and decisions.

8. If viewed only in terms of organization structure, OED would be considered as subject to the President's discretion and authority. However, its de facto dual accountability, both to the President and the DEC, has provided it with a balance between behavioral autonomy and important leverage on the operations departments. This behavioral autonomy has been critical to OED's performance in producing objective reports: OED's evaluations have been candid in identifying the weaknesses of ADB's operations, where they existed, while equally forthcoming in recognizing their merits. On the other hand, OED's leverage on the operations departments through the management has been important in getting its recommendations implemented.

² Prior to the creation of the DEC, these functions were handled by the Audit Committee of the Board along with a number of other functions. The Audit Committee is now responsible for ADB's financial reporting and internal controls, including audits. The creation of the DEC has added a new impetus to the development effectiveness issues.

9. Evaluation results contribute to the assessment of development effectiveness. The Board, chaired by the President, as the policy-making entity for ADB, is ultimately responsible for the development effectiveness of ADB operations. Structural autonomy would provide direct reporting to the policy-making entity. A change in this direction would provide greater harmonization with practice in other international institutions, and enhance the external credibility of evaluation results. The need for more autonomy of OED was also stressed in the *ADF VIII Donors' Report*³ and was reiterated in the *ADF VIII Midterm Review*.⁴ This paper proposes a set of changes in the organization framework within which OED operates to carry this process forward. The changes will ensure more independence of OED and provide greater internal and external credibility in its assessments of ADB operations.

II. THE PRESENT ORGANIZATION FRAMEWORK AND OED INDEPENDENCE

10. The credibility of evaluation depends on the quality and integrity of analysis, the degree of transparency of the evaluation process, and the independence of the evaluation unit. The independence of the evaluation unit is largely conditioned by the corporate culture and the internal organization framework. Such factors—particularly, those pertaining to the organization framework—have a critical bearing on the dimensions of independence, which is usually assessed in terms of four basic criteria:⁵ (i) behavioral autonomy, (ii) avoidance of conflicts of interest, (iii) insulation from external influence, and (iv) organizational independence. The following paragraphs provide a brief review of the current organization framework within which OED operates, against the four pillars of independence enumerated above.

11. **Behavioral autonomy** refers to the ability and willingness to issue strong and uncompromising reports and exercise transparency in reporting the findings. The behavioral autonomy of OED is evident from its project, sector, and country evaluation studies, wherein OED has not shied away from criticizing ADB for its shortcomings while recognizing its achievements where they are due. Similarly, OED has always maintained a high degree of transparency and openness in reporting and disclosing its evaluation findings. Since 1995, OED has made all reports available to internal and external stakeholders.⁶ Currently, these reports are even more widely disseminated, without restrictions, to the development community through the ADB website (<http://www.adb.org/evaluation>).

12. **Avoidance of conflicts of interest** refers to the extent to which policies and procedures identify and ameliorate circumstances that may impair the objectivity and integrity of the evaluator. This means excluding staff from evaluating programs, activities, or entities that might lead to conflicts of interest and affording opportunity for a wider range of consultations with stakeholders to ensure against evaluator bias. ADB has in place procedures, based on its *Administrative Orders*,⁷ to protect against a wide range of conflicts of interest—official,

³ ADB 2000. *Seventh Replenishment of the Asian Development Fund*. Manila. (R221-00, 11 October 2000).

⁴ ADB 2003. *ADF VIII Midterm Review: Chairman's Summary of Discussions*. Manila. (30 April 2003).

⁵ These criteria have been compiled by a number of official evaluation and audit organizations such as Canadian International Development Agency, Danish Ministry of Foreign Affairs, European Federation of Accountants, Institute of International Auditors, OECD/Development Assistance Committee and The United States General Accounting Office. A succinct account of these criteria can be found in World Bank 2003. *OED Reach : Independence of OED*. Washington, D.C. (24 February, 2003).

⁶ An exception to this is the evaluation reports of projects by Private Sector Operations.

⁷ *Administrative Order 2.02. Personnel Policy Statement and Duties, Rights and Responsibilities*, 28 May 1998, prohibits against a wide variety of conflicts of interests. In addition, OED follows the unwritten convention that precludes staff or consultants from evaluating works they were involved in or the OED management signing off evaluations of operations that they were previously associated with. This convention, however, needs to be formalized.

professional, financial and family—that could compromise the objectivity and integrity of OED evaluations. All OED reports entail extensive discussions with stakeholders in the borrowing country at various stages before they are finalized.⁸

13. **Insulation from external influence** refers to the autonomy to decide the design, scope, timing, and conduct of evaluations without interference; freedom to determine, without any coercion from an external authority, the appropriate content of the evaluations; control over staff hiring, promotion, and firing within a merit system; and access to adequate funds and other resources to carry out the mandated responsibilities effectively. OED’s annual work program is discussed in the DEC in addition to by the ADB management.⁹ The process of determining the OED work program has essentially been a collaborative one. The contents of the evaluation reports prepared by OED staff are free from management interference, as the critical and discerning nature of many of these evaluation reports attest. However, the present structure does not fully conform to this independence criterion in the area of budget and personnel control mechanisms. Currently, the OED budget and personnel matters—in particular, recruitment, promotion, and dismissal—are handled centrally by the Budget, Personnel and Management Systems Department (BPMSD) within the framework of an ADB-wide personnel and budget system.

14. **Organizational independence** refers to whether the evaluation unit has a direct reporting relationship with the Board of the institution, i.e., the oversight body not involved in the delivery and management of development assistance; whether the unit is outside the staff- or line-management function of the program, activity, or entity being evaluated; and whether the staff of the unit is protected by a merit-based personnel system. In ADB, OED is clearly outside the management function of the program activities being evaluated and its staff is protected by an ADB-wide merit-based system. However, organizationally OED at present reports only to the President, though it has a de facto dual accountability that entails direct reporting to the President and a functional link to the Board through the DEC.

15. Although the four internationally recognized criteria of independence suggest that OED exhibits a high degree of autonomy, its credibility as an independent evaluation unit can be enhanced by addressing some of the issues: (i) changing the direct reporting relationship from the ADB management to the Board; (ii) changing the procedure for appointing the director general; (iii) allowing OED greater discretion and control in personnel matters within the framework of the ADB-wide merit system, and (iv) making budget provisions for OED in a separate resource envelope.

III. PROPOSED CHANGES

16. The following paragraphs propose a set of changes in the organization framework that defines the structure and accountability of OED. The overriding consideration behind this proposal is to derive the maximum synergy between independence and development effectiveness. While a degree of distance between OED and operations is mutually beneficial, complete isolation can lead to significant organizational inefficiencies. The proposed changes,

⁸ OED takes a transparent, consultative approach to evaluation. OED procedures allow stakeholders in the borrowing countries the opportunity to comment on OED evaluations at the stage of design and background studies and prior to finalizing the draft report. OED employs, where appropriate, participatory evaluation methods to engage stakeholders, including beneficiaries, in the evaluation process.

⁹ OED has been classified as a “knowledge” department and is part of the Knowledge Management Committee (KMC) of ADB. However, unlike other departments of the KMC, OED’s work program is not subject to KMC review and endorsement.

which will bring OED to a comparable position with the evaluation units in most other multilateral development finance institutions,¹⁰ will enhance OED's independence and the development effectiveness of ADB as an institution.

17. **Reporting.** To ensure the organizational independence of OED, the department should report directly to the Board through the DEC. This change would be consistent with the organizational practices in other multilateral institutions, such as the World Bank and the International Monetary Fund, and eliminate any apprehension of perceived control by and influence from the President.

18. **Appointment of the Director General.** The director general who will head OED will be appointed by the Board, based on the joint recommendation by the DEC and the management.¹¹ The appointment of the director general may be for an initial term of 3 years, which may be renewed for a maximum of 2 years. During this period, the director general can only be removed by the Board on the grounds of inefficiency or misconduct. Upon completion of the term, the director general is ineligible for any other staff position in ADB. Except as otherwise provided in the employment contract with ADB, the director general will be subject to, and covered by, all other rules and regulations applicable to ADB staff.

19. **Recruitment of Staff.** Current OED staff will continue in their capacities in the newly reconstituted, independent OED. The final selection of new OED personnel—to replace departing staff or to fill new positions—will be made by the director general of OED, in consultation with BPMSD, based on the skills and technical requirements of the department. BPMSD will handle the recruitment process of OED personnel in accordance with ADB-wide human resources policies and procedures.¹² As with other departments of ADB, selections for OED positions will be made on a competitive basis, based on relevant development experience and qualifications, with possibilities of regularization, promotion, and movement within ADB. OED staff may work in other departments in ADB before and after working in OED.¹³ This flexibility in staff movement between OED and operations departments, as is the practice in the World Bank and a number of other multilateral organizations, will help eliminate the isolation of OED staff and enrich both operations and evaluation activities through cross-fertilization of knowledge and experience. The transfer of OED staff to other departments will similarly be governed by ADB-wide policies, rules, and regulations.

20. **Work Program.** The director general of OED will be responsible for evaluation and other related activities listed in paragraphs 3 - 4. The director general will prepare, in consultation with the DEC and the President, an annual work program of activities, taking into

¹⁰ The appendix compares the independence of the evaluation functions (as well as the associated organizational arrangements) of multilateral development finance institutions.

¹¹ It is envisaged that the selection process will be spearheaded by a search and selection committee, which will consist of the DEC members and representatives of the management at the level of vice president, to be headed by the chairperson of the DEC. The committee, with the assistance of BPMSD, will advertise the position internally within ADB and externally, as well as solicit nominations from member governments. The committee will review, interview, and make a shortlist for consideration of the Board.

¹² The terms and conditions of the services of OED staff will be the same as for other ADB staff, as provided by staff regulations and administrative orders of ADB. They will include the same performance review process, regulation and disciplinary procedures, including the grievance procedures with access to the Appeals Committee and the Administrative Tribunal.

¹³ Any such transfer should preclude conflicts of interest that might arise if staff participate in evaluations of projects or review of operations they were involved with before joining OED. Such conflicts will not arise if OED staff transfer to operations departments. Rather, such transfer will bring to the operations departments important evaluation feedback in the form of knowledge dissemination and lessons learned and enhance their self-evaluation capability.

account the issues of relevance to DMCs and the current institutional priorities. The Board will be responsible for the final approval of the work program.

21. **Budget Formulation Process.** Within the overall ADB-wide budgetary framework, the director general of OED, in consultation with the DEC and BPMSD, will prepare an annual budget proposal¹⁴ for the department. The budget proposal will be presented by the President for consideration and approval of the Board in a separate resource envelope as part of ADB's overall administrative budget. The budget implementation process will be subject to ADB's monitoring and control mechanism, including OED's inputs to ADB's midyear review and other budget reports.

22. **Access to Information and Freedom of Consultation.** The structural independence of OED should not be accompanied by restrictions in access to information. To carry out its mandate, OED will require full, unfettered access to ADB records and information related to evaluation work. However, this will not include access to personal information that is typically restricted. Similarly, as is the current practice, OED will be free to consult with any individual or group, within and outside ADB it deems necessary—including government officials, the private sector, nongovernment organizations, and media in the assisted DMCs.

23. **Relationship with ADB Operations Staff and Management.** The independence of OED need not, and should not, translate into complete isolation of OED from operations. There is scope for considerable gains from mutual interactions without interfering with one another's activities. These interactions can contribute toward ensuring coherence of corporate standards (as among operations, portfolio and strategy analysis, and evaluation) and fostering corporate ownership of OED's findings and recommendations for improvement. The following identifies two areas of such formal interactions.

- (i) As is the practice in the World Bank, the continued participation of the director general of OED in senior management forums—such as the relevant meetings of the Management Committee and the Knowledge Management Committee—would be mutually beneficial. This participation enhances the quality of ADB operations by highlighting the evaluation lessons. At the same time, such participation helps improve OED's understanding of the current internal and external environments that face ADB operations and influence development outcomes. Similarly, OED at present plays an important role in helping ensure the quality of operations by commenting on and reviewing important project and technical assistance documents as well as discussing them in staff review committees and management review meetings, in line with ADB's new business processes, and in helping improve self-evaluation capabilities of operational departments.¹⁵ Irrespective of an effective internal quality assurance mechanism that could be established in the future, this role of OED needs to continue.
- (ii) OED should continue its transparent approach to evaluation that allows lateral inputs from operational departments. All draft evaluation reports are circulated interdepartmentally to operations departments as well as the assisted DMCs for

¹⁴ OED's work program includes a number of thematic studies—whose conclusions and recommendations have wider regional applicability—that are presently funded from regional technical assistance resources. The term budget is used here *generically* to indicate all resources, including these resources.

¹⁵ Despite important benefits from such interactions, OED—or for that matter, the DEC through OED—must not interfere with ongoing operations or engage in micro-management. However, success in this matter depends largely on the professionalism of OED and the trust between the management and the director general.

review and comments. This feedback mechanism helps to correct factual errors and improve analytical content without compromising the evaluation results.

24. **Circulation and Disclosure of OED Reports.** In line with current practice, all OED draft reports will be circulated interdepartmentally and to assisted DMCs for review and comments. However, OED will determine which comments will be incorporated in the final version. The final OED reports will be circulated simultaneously to the ADB management and Board; a sample of major reports will be discussed in the DEC. The reports that go to the DEC for information (not to be discussed) will be disclosed to the public after a reasonable period of time, to allow for the management to respond, after the reports have been submitted to the DEC. The major OED reports, such as the country assistance program evaluations, will be disclosed to the public only after they have been discussed in the DEC. The final published reports may include as attachments the final management response (if any), OED's comments on the management response (if applicable and deemed necessary), and the summary of discussions by the DEC chairperson (applicable only to reports that were discussed in the DEC). This disclosure policy will apply equally to private sector projects.¹⁶

IV. BUDGET IMPLICATIONS

25. The organizational changes proposed in section III to strengthen the independence of OED will have no immediate impact on OED's budget.¹⁷ However, as the scope and complexity of ADB operations increase in the future, so will the need for enhancing OED's evaluation activities and for providing budgetary resources commensurate with the scope and range of its responsibility. After OED is reconstituted under the new arrangements proposed, an annual discussion will be held with the DEC and BPMSD on the appropriate budget for OED, on the basis of a 3-year work program that reflects the scope and complexity of ADB operations and the balance between types of evaluation activity.

V. RECOMMENDATION

26. The appointment of staff, organization of departments, and delineation of areas of responsibilities among departments fall within the purview of authority of the President.¹⁸ Accordingly, to enhance the independence and effectiveness of OED, the President recommends that the Board approve the reporting structure and organizational arrangements as described in paragraphs 17 - 24, effective _____ 2004.

¹⁶ The private sector reports may include business-sensitive information that may jeopardize legitimate business interests and proprietary rights of the private sector clients. Therefore, prior to disclosure, the confidential commercial information will be deleted.

¹⁷ The term budget is used in the *generic* sense to include both administrative and regional technical assistance resources.

¹⁸ Article 34(5), *Agreement Establishing the Asian Development Bank* (<http://www.adb.org/Documents/Reports/Charter/charter.pdf>).

**COMPARISON OF INDEPENDENCE OF EVALUATION FUNCTIONS
AMONG MULTILATERAL DEVELOPMENT FINANCE INSTITUTIONS
May 2003**

	World Bank Group	Inter-American Development Bank	Asian Development Bank
Separate Evaluation Department	Yes, Operations Evaluation Department (OED).	Yes, independent Office of Evaluation and Oversight (OVE).	Yes, Operations Evaluation Department (OED).
Location in Organization Chart and Budget	OED reports to Board of Executive Directors via director general, Operations evaluation (DGO). For managing personnel and budgets, advice is sought from vice presidents responsible for human resources and budget; however, OED's budget and work plan are approved by the Board's Committee on Development Effectiveness (CODE).	OVE director reports directly to the Board of Executive Directors. The OVE work program and budget are submitted directly to the Board for approval.	Independent of other departments/ and offices and reports directly to the President and functionally linked directly to the Board of Directors through the Development Effectiveness Committee (DEC).
Seniority of Head of Department	The DGO is vice president level. The head of OED is a director, who is one level below vice president and is selected by the DGO in consultation with the President and chairperson of CODE.	Director of office: one level below vice president, equivalent to department manager.	Director general, one level below vice president, same level as operations department directors general.
Average Tenure of Head of Department	Board appoints the DGO for renewable terms of 5 years. Selection process and remuneration of the DGO are managed under the oversight of CODE (with advice from the relevant vice president, human resources). The DGO can only be removed by the Board and is ineligible for appointment or reappointment as a staff of the World Bank. Other staff serve approximately 5 - 7 years, but are not limited.	No limitations except for director who has 5-year one-time renewable mandate. In general, the bank encourages staff rotation after 5 years, but it is often difficult to find an even exchange. The third bankwide mobility exercise is scheduled in fall 2003.	No limitations. Currently, the average tenure is less than 3 years. Rotation is encouraged (about 20% have been rotated for the past 2 - 3 years).
Other Relevant issues	OED reports are submitted directly by the DGO to CODE and are disclosed to the public in line with its disclosure policy. It has unrestricted access to all World Bank staff and records when conducting its work. OED exhibits independence around four established criteria: organizational independence, behavioral independence, protection from external influence in its evaluations, and avoidance of conflicts of interest.	Selection of director managed by the Board. OVE reports are submitted by the director directly to the Board's Policy and Evaluation Committee and, for country program evaluations, to the Board's Programming Committee.	All public sector evaluation reports are fully disclosed through the President to the Board, respective governments, executing agencies, and general public. Reports circulated since 1995 are available online.

	European Investment Bank	European Bank for Reconstruction and Development	African Development Bank
Separate Evaluation Department	Yes, Operations Evaluation Department (EVD). Established in 1995.	Yes, Project Evaluation Department (PED).	Yes, Operations Evaluation Department (OPEV).
Location in Organization Chart and Budget	EVD reports to the Board of Directors via the Management Committee; has administrative link to one member of the Management Committee. Budget approval annually. EVD's budget is approved by the Management Committee, within the overall organizational budget approved by the Board. EVD as any directorate has budget autonomy to reallocate funds within certain limits and rules.	Corporate director for evaluation reports to the responsible vice president (no operational responsibilities) who reports to the President. Work falls under purview of the Audit Committee of the Board of Directors. Budget is decided upon by management based on proposal from PED's corporate director.	OPEV reports directly to the Board Directors and administratively to the President. Work program and outputs are under the oversight of the Committee of Operations and Development Effectiveness of the Board. Budget is decided within the corporate budget presented by management based on OPEV proposal.
Seniority of Head of Department	Director, who is head of directorate.	Corporate director for evaluation is in principle one level below vice president.	Director
Average Tenure of Head of Department	3 - 5 years, no limitation except director who has a 5-year nonrenewable mandate.	Management appoints the corporate director. No limitation on tenure.	No tenure but rotation back to an operations post is recommended.
Other Relevant Issues	Two-year rolling work program prepared by EVD in consultation with other directorates approved by the Management Committee. Management Committee decides to send report to the Board of Directors without change in substance and to publish or not.	The evaluation documents that can be disclosed to the Board are sent by the corporate director, through the vice president, to the President and the Board.	Human resources management of evaluation staff falls within the corporate human resources policies and procedures.

	International Monetary Fund
Separate Evaluation Department	Yes, Independent Evaluation Office (IEO).
Location in Organization Chart	The IEO reports directly to the Executive Board of the International Monetary Fund (IMF). It is completely independent of management, and operates at “arm’s length” from the Board of Directors
Seniority of Head of Department	The director of the IEO is at the same level as other heads of department, i.e., the level immediately below that of the deputy managing directors of IMF.
Average Tenure of Head of Department	The director is appointed by the Board of Directors for 4 years, with the possibility of a 3-year extension. Staff serving in the IEO can have a maximum tenure of 6 years. To ensure against a conflict of interest the director cannot subsequently join IMF staff in any capacity.
Other Relevant Issues	<p>The work program is decided by the director of IEO. It is reviewed by, but not subject to approval of, the Executive Board. The majority of IEO staff have to be recruited from outside the IMF staff. All IEO staff have separate contracts that require them to take instructions only from the director of IEO.</p> <p>The IEO adopts a transparent approach to evaluation, which allows for lateral inputs. Draft issues papers for all evaluation projects are posted on the IEO website for comments and final terms of reference are determined after taking comments into account. The final terms of reference are published and interested people are invited to submit substantive inputs relevant to the terms of reference for consideration by the evaluation team.</p> <p>IEO reports are circulated simultaneously to IMF management and the Evaluation Committee of the Executive Board and are not changed in light of management comments. IEO submits separate comments on management’s comments for consideration by the Board. Reports are normally released for publication by the Board after they have been discussed and are published along with comments of management, IEO comments on management comments, and on the summary of discussions by the chairperson.</p>

Source: Evaluation Cooperation Group.