



## Disclosure Policy for IEG-IFC's Evaluation Products

April 30, 2006

The contents of IEG-IFC's evaluation products reflect only IEG-IFC's views, and the findings do not support any general inferences beyond the scope of the evaluation, including any inferences about IFC's past, current or prospective overall performance.



**International Finance Corporation**

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## ABBREVIATIONS & ACRONYMS

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AROE	Annual Report on Operations Evaluation in IFC	ECG	[MDB] Evaluation Cooperation Group
AWP	Annual Work Program & Budget and Indicative Plan	IDB	Inter-American Development Bank
ADB	Asian Development Bank	IEG	Independent Evaluation Group
AfDB	African Development Bank	IFC	International Finance Corporation
CAE	Country Assistance Evaluation [IEG-WB]	IIC	Inter-American Investment Corporation
CEN	Country Evaluation Note	MDB	Multilateral development bank
CIR	Country Impact Review	MIGA	Multilateral Investment Guarantee Agency
CODE	[Board's] Committee on Development Effectiveness	OED	Operations Evaluation Department [WB]
DFI	Development finance institution [MDBs and bilaterals]	OEG	Operations Evaluation Group (IFC)
DGE	Director-General, Evaluation	OEU	Operations Evaluation Unit [MIGA]
DGO	Director-General, Operations Evaluation	PPAR	Project Performance Assessment Report [IEG-WB]
EBRD	European Bank for Reconstruction and Development	TAAS	Technical Assistance and Advisory Services
		ToR	Terms of reference
		WB	World Bank
		XPSR	Expanded Project Supervision Report

## 1. Background

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1. This paper describes the public disclosure policy for the reports of the Independent Evaluation Group-IFC (IEG-IFC).<sup>1</sup> Taking proper account of IFC's distinct operations and private sector clientele, as well as IEG-IFC's independent reporting line, these revisions to IEG-IFC's Disclosure Policy have been developed to be consistent with (i) IFC Management's concurrently developed, updated IFC Disclosure Policy,<sup>2</sup> and (ii) the World Bank (WB) Independent Evaluation Group's (IEG-WB's) Disclosure Policy statement approved by the WB's Board in January 2004.<sup>3</sup> Consistent with the effective date for IFC's updated Disclosure Policy<sup>4</sup>, IEG-IFC's final approved Disclosure Policy is effective for all IEG-IFC reports distributed to IFC's Board of Directors (the Board) after the concurrent date of effectiveness of the final approved IFC Disclosure Policy, on April 30, 2006. IEG-IFC's updated policy supersedes from its effectiveness date the 1998 Disclosure Policy,<sup>5</sup> under which IEG-IFC has been operating.

2. IFC believes that transparency and accountability are fundamental to fulfilling its development mandate and to strengthening public trust in IFC and its clients. IFC's Disclosure Policy reaffirms and reflects IFC's commitment to enhance transparency about its activities and to promote good governance. A general principle of the IFC Disclosure Policy is that IFC should make available information concerning its activities that would enable its partners and stakeholders and other interested members of the public to understand better, and to engage in informed discussion about, IFC's business activities, the overall development and other impacts of its activities, and its contribution to development. There is a presumption in favor of disclosure of such information absent a compelling reason for non-disclosure determined by taking into account the general considerations set forth in IFC's Disclosure Policy. The effective functioning of IFC requires some restrictions on the availability of information to the public, and under certain circumstances, non-disclosure is warranted.

3. IEG-IFC is an organizationally independent unit within IFC. IEG-IFC's Terms of Reference (ToRs, Annex 3) call for it to independently evaluate IFC's operational programs and activities, including investment and technical assistance and advisory services (TAAS) operations, and the strategies, policies, and procedures related to them, with particular attention to the achievement of agreed objectives for private sector development and the effects of investment activity. IEG-IFC assesses the quality and usefulness of IFC's evaluation processes and products, and participates in the formulation and continuous improvement of appropriate evaluation policies, practices and instruments. It identifies and disseminates lessons and makes recommendations drawn from evaluation findings to contribute to improved operational performance, accountability for results, and corporate transparency. IEG-IFC maintains close relations and strives for synergies with IEG-WB and IEG-MIGA.

4. The Director-General, Evaluation (DGE) is responsible for the management of IEG-IFC's personnel, budget, and work program under the oversight of the Board's Committee on Development Effectiveness (CODE), and in consultation with the Executive Vice President, IFC. IEG-IFC's functions and staff are organizationally independent from IFC's operational and policy departments and decision-making. Its reports are transmitted to the Board through the DGE after review and comment by IFC management but without management clearance or any management-imposed restrictions on their scope and contents.<sup>6</sup> Therefore, in developing its Disclosure Policy, IEG-IFC has followed a separate process coordinated with the IFC Disclosure Policy development process to ensure their mutual consistency.

5. A sound basis for determining the appropriate disclosure status for IEG-IFC's evaluation reports comes from:

- (i) extrapolating the principles underlying IFC's Disclosure Policy, and specifically, its commitment to increasing its transparency in order to promote efficiency and accountability and enhance investment climates and development impacts;
- (ii) considering the changes since 1998 reflected in IEG-WB's current Disclosure Policy; and
- (iii) considering the disclosure practices of the Multilateral Development Banks (MDBs) with private sector investment operations, and IEG-IFC's leadership role within the MDB Evaluation Cooperation Group (ECG) in developing the good-practice evaluation standards for private sector investment operations.

6. On the last point above, this IEG-IFC Disclosure Policy is consistent with the general provisions of the evolved disclosure policies and practices of the central evaluation units of IFC's comparators among those MDBs with significant private sector investment operations.<sup>7</sup> All MDBs now disclose their independent evaluation departments' synthesis evaluation reports for their private sector investment operations (in the EBRD's case, however, with substantial editing). All maintain the confidentiality of client information and do not identify or attribute any evaluated results to clients/projects by name, consistent with IEG-IFC's established practice as sustained in this proposed policy update. As part of the Bank Group, IEG-IFC is committed with its partner MDB central evaluation units -- through the ECG -- to harmonizing its evaluation standards and practices for comparable results reporting and level-playing-field public accountability. To that end, harmonization of the ECG members' public disclosure policies is an important dimension of defined ECG good-practice standards. Hence it is important that IEG-IFC's disclosure policies and procedures reflect best-practice transparency standards, and this policy is consistent with that objective.

7. In summary, this IEG-IFC Disclosure Policy is designed to (i) align IEG-IFC's policy as much as possible with that of IEG-WB as well as with IEG-MIGA's practices; (ii) be consistent with IFC's commitment to increased transparency reflected in the IFC Disclosure Policy, including the limitations and restrictions specified therein, (iii) set the best-practice standard for disclosure of comparable evaluation products among the MDBs with private sector investment operations; and (iv) explicitly address the proposed disclosure status of each of IEG-IFC's current evaluation products.

## **2. Update to IEG-IFC's Disclosure Policy**

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8. Disclosure makes the public aware of findings and lessons from IEG-IFC's evaluations of IFC's operations. In doing so, it contributes to the public's understanding of IFC's mission, awareness of the scope of its operations, and the credibility of its reported development results. Disclosure also helps sustain both IEG-IFC's independence and the quality of its evaluation work. Accordingly, to promote accountability and transparency, IEG-IFC discloses all of its Board-distributed reports absent any compelling reason not to disclose them, taking into account the general provisions contained in IFC's Disclosure Policy. These general provisions apply to all IEG-IFC information: its evaluation reports, internal documents and memoranda, and information about its staff members. As indicated here, IEG-IFC does not disclose any documents other than those that have been distributed to the Board.

9. Consistent with the practice of commercial banks and of most public sector financial institutions (for their private sector investments), IFC does not disclose to the public financial, business, proprietary or other non-public information provided to IFC by its clients or other third parties. IEG-IFC documents on individual investment or TAAS operations are not circulated to the Board and are not disclosed. IEG-IFC will also continue its practice of not disclosing in Board reports evaluative information that identifies individual operations (unless the source of such information consents to such release). Prior to Board distribution, IEG-IFC synthesizes and/or edits its evaluation reports as relevant to preserve the confidentiality of any non-public information accordingly. In its reviews of upstream drafts, IFC Management will have successive opportunities to raise any concerns it might have about their adherence to the restrictions in IFC's Disclosure Policy.<sup>8</sup>

10. IEG-IFC reports that are made available to the public contain aggregate partial IFC investment portfolio and other financial and non-financial development performance data relevant to a particular evaluation study's focus, when these performance data are not identifiable to particular clients. Such data are generally aggregated by approval era, and variously at the regional, country, sector, and/or subsector levels, and/or by specific attributes such as investment size or country risk group.<sup>9</sup> IEG-IFC does not disclose performance data if the number of operations in a sub-group (such as a smaller country portfolio) is too small to protect, or will otherwise reveal, individual client identity.

11. Similarly, IEG-IFC reports that are made available to the public may contain financial information and development performance data related to TAAS projects and programs funded and/or managed by IFC. Such reports will also be edited by IEG-IFC to avoid identification of beneficiary clients and to preserve confidentiality of their information (unless they consent to such release).

12. The general principle underlying this IEG-IFC Disclosure Policy is that IEG-IFC will disclose all evaluation reports that are distributed to the Board, as described below, and that the process for individual disclosures will be as set forth in the last section of this paper. Operationally, this means that:

- IEG-IFC's Approach Papers for its evaluation studies are disclosed by IEG-IFC following CODE endorsement.
- IEG-IFC's evaluation reports are disclosed by IEG-IFC after discussion by the Board. Any available related final IFC Management Responses<sup>10</sup> (hereafter, Management Responses) and discussion summaries prepared by the CODE or CODE Subcommittee Chair (hereafter, Chair's Summaries) are also disclosed.
- IEG-IFC's evaluation reports distributed to the Board, but discussed only by CODE or CODE's Subcommittee, are disclosed by IEG-IFC after such Committee discussion. Any available Management Responses and Chair's Summaries are also disclosed.
- IEG-IFC's evaluation reports distributed for information to the Board, and not discussed by the Board, CODE, or the CODE Subcommittee, are disclosed by IEG-IFC after they have been distributed to the Board.
- Evaluative information provided by IEG-IFC for an IEG-WB<sup>11</sup> and/or IEG-MIGA report following management review and opportunity to comment is subject to IEG's Disclosure Policy, and disclosure of such reports is subject to relevant IEG-WB and IEG-MIGA procedures.

13. As is the case for IEG-WB reports, the Board could decide not to disclose any IEG-IFC report circulated to the Board or CODE/Subcommittee for discussion that would otherwise be disclosable under this policy.

## Current IEG-IFC Products and Their Disclosure Status

14. For IEG-IFC's current product slate, Annex 1 summarizes the changes under this policy update from IEG-IFC's 1998 Disclosure Policy and compares them with the disclosure status of relevant IEG-WB evaluation products. Annex 2 provides a description of IEG-IFC's current products and their disclosure status under this IEG-IFC Disclosure Policy. Annex 3 provides IEG-IFC's current ToRs.

## The Disclosure Process

15. IEG-IFC's *Annual Review of IFC's Evaluation Findings* and its *Annual Report on Operations Evaluation in IFC* (AROE) are discussed by the Board after CODE discussion if CODE recommends them for Board discussion, in which case they are disclosed following the Board discussion. If CODE recommends that either of these reports not be discussed by Board, it is disclosed after CODE discussion. In both cases, the Management Response, if any, and the Chair's Summary, if any, are also disclosed.

16. IEG-IFC's *Annual Work Program & Budget and Indicative Plan* (AWP) is discussed by the Board after CODE discussion if CODE recommends it for Board discussion. In any event, it is disclosed following Board approval of the IFC annual business plan and budget inclusive of the IEG-IFC budget as endorsed by the Board. Any available Management Response and Chair's Summary are also disclosed.

17. IEG-IFC's process, sector, policy, program, and thematic evaluations, and its country impact reviews, are normally discussed by CODE or its Subcommittee. They are disclosed after such discussion, and any available Management Responses and Chair's Summaries are also disclosed.

18. IEG-IFC's *Evaluation Briefs* and other products that are distributed for information to the Board, and are not normally discussed by the Board, CODE or its Subcommittee, are disclosed after they have been distributed to the Board.

19. For IEG-IFC reports that are normally discussed by CODE, in cases where CODE (or its Subcommittee) has not scheduled a meeting within 180 days following IEG-IFC's distribution of any such report to the Board, the report is not disclosed thereafter. In cases where the CODE Chair informs IEG-IFC earlier that no discussion will take place, IEG-IFC will disclose the report following notification to the Board of the release date.

20. Disclosure of IEG-IFC Board documents distributed prior to the effective date of the approved updated IEG-IFC Disclosure Policy continues to be determined by the provisions of the current (1998) policy.

21. For disclosed IEG-IFC reports, all information that IEG-IFC derives from internal IFC sources is subject to IFC's Disclosure Policy, and all information IEG-IFC derives from internal WB and/or MIGA sources is subject to their respective Disclosure Policies.

22. The text of IEG-IFC documents distributed to the Board is disclosed as they have been issued, except for necessary revisions to correct errors, clarify text whose intended meaning is not clear, and redact any information that may not be disclosed under the IEG-IFC or IFC Disclosure Policy, including references to documents that have not been disclosed.

23. Each disclosed IEG-IFC product carries a standard disclaimer to the effect that the contents reflect IEG-IFC's views, and that the findings do not support any general inferences beyond the scope of the evaluation, including any inferences about IFC's past, current or prospective overall performance.

24. In exceptional cases, if extensive issues of confidentiality or sensitivity arise, the DGE could restrict the disclosure of an IEG-IFC document. In such cases, the document's cover page will carry a note indicating that the document is not disclosed.

25. The DGE reports to CODE from time to time on the experience with IEG-IFC's Disclosure Policy and practices.

### **Access to Information**

26. IEG-IFC disclosed reports are available on the IFC Web site, [www.ifc.org](http://www.ifc.org). General information about IEG-IFC and its activities may also be obtained at this website. IEG-IFC also discloses publicly available information by other appropriate means, depending on the nature of the information. Inquiries can be made in writing to the IEG-IFC Help Desk, International Finance Corporation, 2121 Pennsylvania Ave. NW, Washington DC 20433, or by telephone (1 202 458-2299), fax (1 202 974-4302), or email ([ieg-ifc@ifc.org](mailto:ieg-ifc@ifc.org)).

### **Endnotes**

<sup>1</sup> This policy update is hereafter referred to as "IEG-IFC's Disclosure Policy" for ease of reference. Formerly the Operations Evaluation Group (OEG), the name change was announced December 15, 2005 to follow the recent approval by the Board of a new mandate of increased independence of the evaluation function across the World Bank Group. Together with IEG-WB (formerly the Operations Evaluation Department of the World Bank), and IEG-MIGA (formerly the Operations Evaluation Unit of MIGA), the departments are now known as the Independent Evaluation Group (IEG), which becomes the umbrella for these Bank Group evaluation units under the leadership of the Director-General, Evaluation (DGE, formerly the Director-General, Operations Evaluation or (DGO)).

<sup>2</sup> International Finance Corporation, *Policy on Disclosure of Information*, dated January 25, 2006; for ease of reference, IFC's *Policy on Disclosure of Information* is hereafter referred to as "IFC's Disclosure Policy".

<sup>3</sup> *IEG-WB's Disclosure Policy Statement: Final Recommendations* dated December 17, 2003, and approved by the WB's Board January 8, 2004.

<sup>4</sup> See IFC's updated Disclosure Policy, endnote 2.

<sup>5</sup> IFC's 1998 evaluation disclosure policy was titled *Disclosure of IFC's Evaluation Products*. Several operational groups within IFC will henceforth be producing self-evaluative products whose disclosure will be subject to IFC's Disclosure Policy. Hence, consistent with IEG-IFC's independent reporting line (paragraph 4), the scope of this proposed policy is narrowly confined to IEG-IFC's products, as this paper's title indicates –*Disclosure Policy for IEG-IFC's Evaluation Products*.

<sup>6</sup> This and the preceding paragraph summarize IEG-IFC's ToRs as approved by IFC's Board on June 13, 2005. Annex 3 provides the complete IEG ToR text. All IEG-IFC reports prepared for Board distribution are discussed with relevant IFC staff in successive drafts, and the IFC Management Group reviews and comments on the proposed Board editions. This process provides sufficient opportunity for Management to raise any concerns it may have about a draft Board report's adherence to the restrictions contained in IFC's Disclosure Policy

<sup>7</sup> Weighted by the relative volume of private sector investment commitments made by each institution during 1999-2003 among all members of the MDB Evaluation Cooperation Group, the members' relative scale of private sector investment operations is as follows: IFC 41 percent, EBRD 30 percent, MIGA 18 percent, IDB/IIC 7 percent, AfDB 2 percent, and ADB 2 percent.

<sup>8</sup> See also paragraph 4 and its endnote 6.

<sup>9</sup> See also paragraph 23.

<sup>10</sup> Although communications between IFC management and staff, IEG-IFC and/or the Board are not ordinarily disclosed under the IFC Disclosure Policy, in certain cases, IFC management may elect to prepare for public disclosure a final version of its management response to the Board on an IEG-IFC report.

<sup>11</sup> For example, Country Evaluation Notes (CENs) are prepared by IEG-IFC on smaller IFC portfolio countries in the form of text for boxes and/or annexes for inclusion in IEG-WB Country Assistance Evaluations (CAEs; see Annex 2).

## Annex 1: Summary of Proposed IEG Disclosure Policy Changes by Individual Product

### Summary of IEG-IFC Disclosure Policy Changes by Individual Product, and Comparison with Current IEG-WB Policy

Product Type	Current IEG-IFC Products	Status under 1998 OEG Disclosure Policy	Status under Updated IEG-IFC Policy	Comparison with Current IEG-WB Policy
Annual Reports	<i>IEG-IFC's Annual Review of IFC's Evaluation Findings</i>	Not disclosed	Disclosed	Disclosed
	<i>Annual Report on Operations Evaluation in IFC</i>	Not disclosed	Disclosed	Disclosed
	Management Action Tracking Record	Not produced	Disclosed with respect to recommendations contained in previously disclosed reports	Disclosed (format under preparation)
	<i>IEG-IFC's Annual Work Program and Budget &amp; Indicative Plan</i>	Not addressed	Disclosed	Not disclosed
Special Studies	Thematic, Country, Sector, Program, Policy and Process Studies (and their Approach Papers).	Process studies and studies that address IFC investment results (and their Approach Papers) are not disclosed; other studies (and their Approach Papers) are disclosed	Disclosed	Disclosed
	<i>Evaluation Briefs</i>	Not produced	Disclosed	Disclosed
	<i>Fast Track Briefs</i>	Not disclosed	Not disclosed [IEG-IFC <i>Findings</i> is the disclosed abstract]	Not disclosed [IEG-WB <i>Reach</i> is the disclosed abstract]
	Background papers for special studies	Not specifically addressed	Disclosed on a case-by-case basis	Disclosed on a case-by-case basis
Project-level Reviews: Investment Operations	Project Evaluation Summaries (including mini-XPSRs and evaluations of closed projects)	Not disclosed	Not disclosed	Disclosed [PPARs]
	Evaluative Notes on XPSRs	Not disclosed	Not disclosed	Disclosed
	Guidelines for preparing XPSRs	Disclosed with editing to remove project- and IFC-specific financial benchmarks	Disclosed with editing to remove project-specific benchmarks	Disclosed
Project-level Reviews: TAAS Operations	TAAS Evaluative Notes	Not produced	Not disclosed	Not produced
Knowledge & Dissemination	<i>IEG-IFC Findings</i>	Disclosed	Disclosed	Disclosed
	Top Lessons	Disclosed	Disclosed	Disclosed

## Annex 2: Glossary of IEG-IFC's Current Evaluation Products (And Their Disclosure Status under This Policy Revision)

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- IEG-IFC's Annual Review of IFC's Evaluation Findings. This is the flagship IEG-IFC evaluation report. It addresses IFC's operating results and achievement of its development mission as reflected in the synthesis of findings of individual investment operations evaluated during the previous three years, and in recently completed IEG-IFC special studies. Is disclosed.
- Annual Report on Operations Evaluation in IFC (AROE). Report covering IFC's evaluation processes and activities (including IEG-IFC work program outputs) and related issues. Identifies evaluation (and related upstream) process weaknesses and gaps. Is disclosed.
- IEG-IFC's Annual Work Program and Budget and Indicative Plan (AWP). Annually, for the upcoming fiscal year, IEG-IFC sets out its three-year work program strategy, year-by-year delivery priorities, annual budget request, and indicative work plan for the following two fiscal years. Is disclosed.
- Management Action Tracking Record (MATR). Matrix for tracking and reporting management actions taken on recommendations in IEG-IFC's Board reports. (The AROE includes a synthesis of the updated MATR data.) Matrix is disclosed only for recommendations contained in reports that have been previously disclosed.
- IEG-IFC's Thematic, Sector, Program, Policy and Process Studies (and their Approach Papers). Analyses of broad themes and trends related to IFC's performance and the lessons of its experience. Studies may cover sector, thematic, policy or program topics. These studies address the development outcomes and investment outcomes of investment operations, as well as IFC's related work quality and additionality. They typically review relative performance and salient determinants, including the adequacy of prevailing IFC policies and procedures as relevant. They may also cover TAAS projects and programs. For each special study in IEG-IFC's endorsed work program, IEG-IFC prepares an Approach Paper and distributes it to CODE for review. Approach papers describe the study's background, relevance, objectives, scope, key evaluative questions, methodology, and budget and schedule. These studies and their approach papers are disclosed.
- Country Impact Reviews (CIRs) and Country Evaluation Notes (CENs). CIRs are full, stand-alone IEG-IFC evaluations of IFC's operations in a specific country (usually those with a relatively large IFC investment portfolio), usually covering an extended period. Their scope covers IFC's strategies, programs, investment operations, and policy advice, including TAAS operations. CIRs are disclosed. Additionally, IEG-IFC prepares CENs (2-5 page summaries for countries with smaller IFC investment portfolios) in accordance with IFC disclosure policy in those circumstances where there is sufficient evaluative project-level data to support meaningful relative portfolio performance inferences, for incorporation as boxes or annexes into IEG-WB Country Assistance Evaluations (CAEs). CENs are processed within IFC as if they were stand-alone studies, but are not separately sent to the Board by IEG-IFC and would not be disclosed by IEG-IFC; rather, IEG-WB determines the disclosure status of the CAEs that embed any CENs, in accordance with its policy. (IEG-IFC may subsequently issue the substance of the CENs, sometimes with additional analysis, as *Evaluation Briefs*, which are disclosed.)
- Evaluation Briefs. These are four-page abstracts prepared by IEG-IFC and targeted mainly at the learning needs of IFC staff. They are either summaries of chapters of recently completed IEG-IFC studies, or of CENs, or of findings from new, stand-alone IEG-IFC analyses on topics of current operational relevance. Are disclosed.

- *Fast Track Briefs*. These are two-page abstracts of IEG-IFC Board report executive summaries and recommendations prepared in the form of memos from the DGE to the President, Board and the Bank Group senior management. Are not disclosed. (Their substance is duplicated and expanded in four-page IEG-IFC *Findings*, which are prepared for disclosure.)
- *Project Evaluation Summaries*. Sometimes referred to as “mini-XPSRs”, these are concise IEG-IFC evaluations of individual investment operations, with input from investment department staff. They are written on some closed projects (not otherwise covered by XPSRs) that were selected in the annual random sample for the XPSR program (investment department self-evaluation), and also for projects evaluated by IEG-IFC for special studies. Similar to IEG-IFC’s Evaluative Notes (independent reviews) on XPSRs, these summaries provide structured project performance quality reviews and ratings, lessons, and any issues for follow-up discussion with/pursuit by IFC management and staff. Are not disclosed.
- *Evaluative Notes on XPSRs*. IEG-IFC’s independent reviews of project-specific XPSRs provide structured performance quality reviews and ratings, and focus issues for management and staff discussion and in some cases, future IEG-IFC further research in field visits for final rating determination. As such, these comprise an integral part of IFC’s deliberative process, and their findings are in some cases subject to further consideration. Are not disclosed.
- *IEG-IFC Findings*. Four-page abstracts of IEG-IFC Board reports prepared specifically for release to the general public. Are disclosed.
- *XPSR Guidelines to IFC investment staff for preparing Expanded Project Supervision Reports (XPSRs)*. Prepared and updated annually by IEG-IFC with input from other IFC units, endorsed by IFC Management and reviewed by the CODE Sub-committee, these provide process guidelines, report preparation instructions (including performance rating criteria), and standard templates for preparing XPSRs. They are shared with MDB-ECG and DFI counterparts and made publicly available with editing to remove any project-specific rating benchmarks. Are disclosed.
- *IEG-IFC Top Lessons*. Syntheses of high-incidence, cross-cutting lessons from XPSRs intended for IFC staff and others; they are written so that findings and judgments are not traceable to individual operations. Are disclosed.



### **Annex 3: Independent Evaluation Group-IFC (IEG-IFC): Terms of Reference (November 7, 2005)**

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The Director, Independent Evaluation Group-IFC (IEG-IFC) is responsible for the operations evaluation function for IFC and assists the Director-General, Evaluation (DGE) in carrying out the DGE's mandate. IEG-IFC's independent evaluation work encompasses:

- Evaluating operational programs and activities, including investment and technical assistance and advisory services operations, and the strategies, policies and procedures that relate to them with particular attention to the achievement of agreed objectives for private sector development and the effects of investment activity.
- Assessing the quality and usefulness of IFC's evaluation processes and products, and participating in the formulation and continuous improvement of appropriate evaluation policies, practices and instruments.
- Identifying and disseminating lessons and making recommendations drawn from evaluation findings to contribute to improved operational performance, accountability for results, and corporate transparency.

The DGE is responsible for the management of IEG-IFC's personnel, budget, and work program under the oversight of the Board's Committee on Development Effectiveness (CODE), and in consultation with the Executive Vice President, IFC (EVP). IEG-IFC's functions and staff are organizationally independent from IFC operational and policy departments and decision-making.

The DGE appoints the Director, IEG-IFC, in consultation with the EVP and the CODE Chair. The Director, IEG-IFC, is appointed for a renewable term of 5 years, can only be removed by the DGE, is not removable without just cause, and is not eligible for employment in IFC on completion of assignment. The DGE is responsible for performance evaluation and salary review for the Director, IEG-IFC, with the oversight of the CODE Chair. The Director, IEG-IFC, is responsible for the selection, performance evaluation, salary review and promotion of IEG-IFC staff, under the oversight of the DGE and in consultation with IFC's VP, Human Resources. For administrative purposes, the IEG-IFC Director reports to the EVP.

IEG-IFC's work programs and budgets are prepared independently from IFC's budget, under the oversight of the DGE, for endorsement by CODE and approval by the Board. IEG-IFC's reports are the responsibility of the Director, IEG-IFC, under the oversight of the DGE, and are transmitted to IFC's Board of Directors through the DGE, following IFC management review and opportunity to comment.

IEG-IFC's access to IFC staff and records is unrestricted, and IFC managers facilitate visits to project sites and meetings with client, partner and Government representatives. Without compromising IEG-IFC's independence, IEG-IFC staff endeavors at all times to maintain close and continuing contact with IFC staff so that their views are adequately considered in IEG-IFC reports, and the analyses and findings of these reports are understood. While the Group does not issue instructions and is not involved in implementing operational practices and procedures, its work aims to reach specific conclusions and recommendations that follow from the evaluation findings. The Director, IEG-IFC, participates in relevant meetings of the Portfolio Committee. IEG-IFC maintains close relations with the IEG-WB in the Bank and IEG-MIGA in MIGA. The DGE reports to the Board of Directors of IFC about the quality, usefulness and objectivity of IFC's evaluation processes and products.