

EBRD EVALUATION WORK PROGRAMME 2014-15 AND BUDGET 2014



EBRD EVALUATION DEPARTMENT. FEBRUARY 2014



The EBRD Evaluation Work Programme 2014-15 and Budget 2014 includes:

- a two-year Evaluation Work Programme for 2014/15
- details of operation evaluations and special studies selected
- an Annual Evaluation Review containing in-depth treatment of evaluability, self-assessments and results frameworks for technical cooperation initiatives
- a new system for capturing, tracking and reporting on Management commitments to evaluation recommendations
- a continuation of work on services to the Bank including improvements to dissemination tools and evaluation processes
- A proposed Evaluation administrative budget for 2014



Joe Eichenberger
Chief Evaluator

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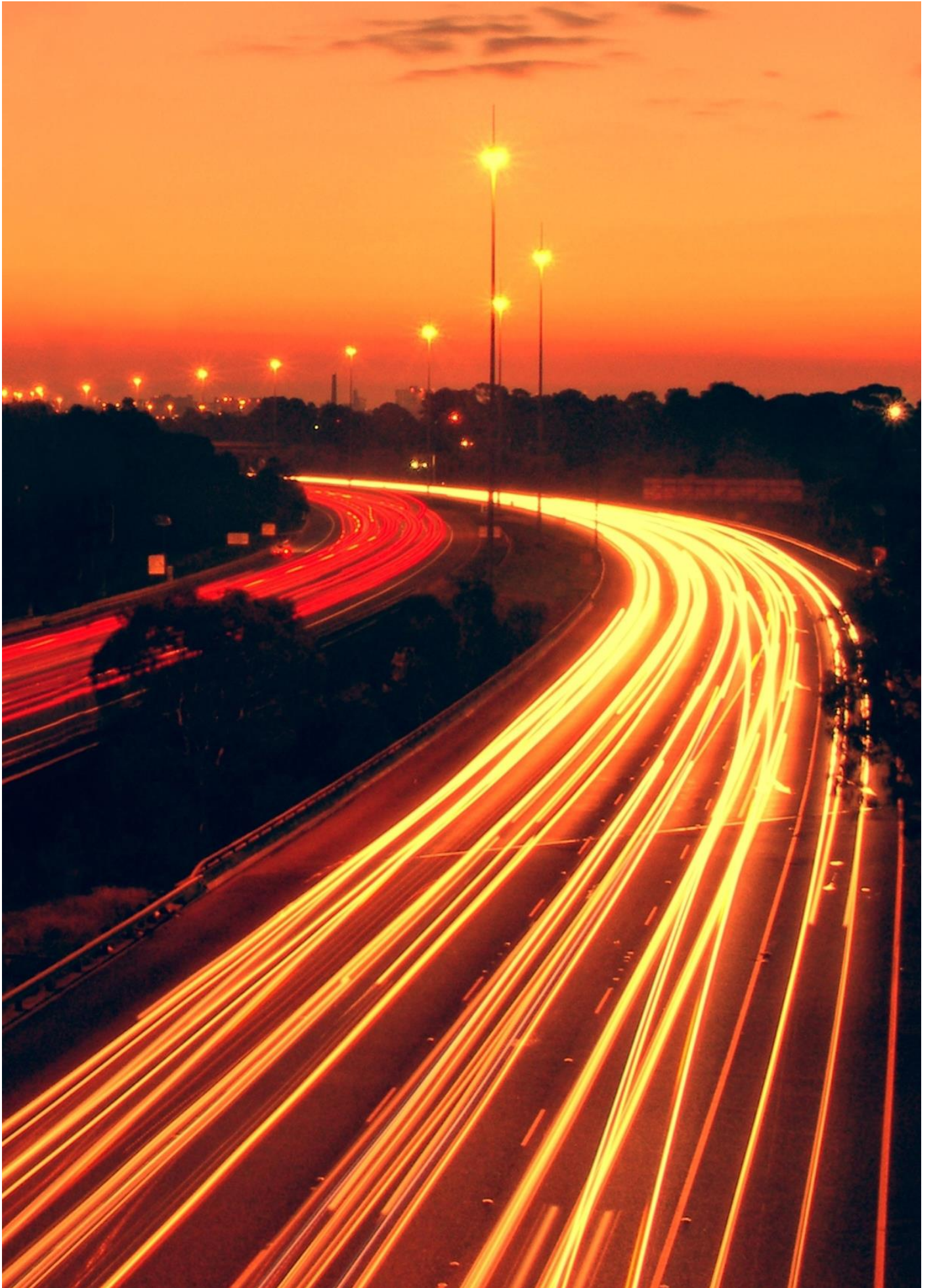
Annex 1: EvD deliveries in 2014

Abbreviations

AER	Annual evaluation review
CIF	Carbon investment fund
CRR5	Capital resource review 5
EvD	EBRD evaluation department
OE	Operation evaluation
OPA	Operation performance assessment
OPAR	Operation performance assessment review
OPAV	Operation performance assessment validation
MSME	Micro, small and medium sized enterprises
RO	Regional office
SEEF	Sustainable energy efficiency facilities
SEI	Sustainable energy initiative
SEMED	Southern and eastern Mediterranean region
TC	Technical cooperation
WP	EvD work programme 2014-5

Defined terms

Operations evaluations (OEs)	– independent evaluations involving field assessments of purposefully selected operations that present particular issues or opportunities for evidence-based performance feedback and insights.
Operations validations (OPAVs)	– independent desk-based detailed quality review, validation and performance ratings for a substantial proportion of the mandatory ex-post self-evaluations prepared each year by operations teams.
Operation reviews (OPARs)	– brief reviews of the completeness and basic quality of the remaining self-evaluations done by operations teams.



Overview

The EBRD's Evaluation Policy of 2013 requires the Evaluation Department (EvD) to "Prepare multi-year work programmes setting out proposed evaluation priorities, products and activities in detail. It also proposes budgets to deliver its work programmes, and results frameworks to enable assessment of its own performance". The Policy further indicates that the Board of Executive Directors "[r]eviews and approves the EvD work programme and budget". The terms of reference for the Board's Audit Committee provide it with delegated responsibility to "periodically review and evaluate the functions performed by the Evaluation Department", which includes a review of EvD work programmes and reports.

This document contains the EvD work programme for 2014-15 (WP) and the proposed EvD administrative budget for 2014. The WP is intended to execute EvD's mandate as set out in the Policy, articulate strategic objectives consistent with the expectations of multiple stakeholders, and contribute to institutional achievement of sustained superior results and impact.

The EvD work programme for the next two years will:

- focus EvD work on its two core objectives of institutional accountability and institutional learning
- continue to increase the range, quality and relevance of evaluation work to contribute to better institutional performance
- build on improved dialogue with key partners (Board, Management and other institutions) to increase EvD engagement, contribution and effectiveness.

The WP commits EvD to a broad mix of products and services, such as:

- operation-specific evaluation and review
- special studies
- services to the Bank
- engagement with the Board
- regular reporting
- evaluation tools and methods
- international engagement.

The draft WP was discussed in broad terms with Management before it was circulated to the Audit Committee. Committee members and non-members discussed that draft on 19 November 2013 and broadly endorsed its structure and content. They requested additional information on the different types of project-specific evaluations carried out by EvD, understanding that the detailed selection process with Management was not yet fully concluded. EvD also received Committee guidance on its list of prospective special studies and was asked to incorporate updates and additional detail in its follow-up submission to the Committee. The WP was approved by the Board on 11 December 2013.



Evaluations of individual operations

Evaluating the performance of Bank operations through independent, objective and evidence-based analysis is a core EvD function, and central to EvD fulfilling its accountability and learning mandates. EvD executes these mandates by producing three types of evaluation of individual operations, all adhering to international best practice.

- Operations evaluations (OEs): independent evaluations involving field assessments of purposefully selected operations that present particular issues or opportunities for evidence-based performance feedback and insights.
- Operations validations (OPAVs): independent desk-based detailed quality review, validation and performance ratings for a substantial proportion of the mandatory ex-post self-evaluations prepared each year by operations teams.
- Operation reviews (OPARs): brief reviews of the completeness and basic quality of the remaining self-evaluations done by operations teams.

Through these different products EvD reviews 100 per cent of the annual pool of projects that are either completed or sufficiently mature for an ex-post performance evaluation.

Selection process

The selection process for this pool is as follows.

First, operations teams prepare self-assessments for all operations classified as ready for assessment (see below). Evaluation international best practice standards for international financial institutions and multilateral development banks state that self-assessment of projects should be mandatory. This is the recommended starting point for evaluating projects. Careful team-level review of project outcomes relative to expectations is vital for both institutional learning and accountability, even while it can never claim full objectivity. These self-assessments are a key contributor to independent evaluation, irrespective of the specific form this evaluation may take.

Second, to identify the pool of evaluation-ready operations, they need to meet certain requirements, the most basic of which is that projects must have been completed from a disbursement perspective for at least 18-24 months and not in Corporate Recovery. There is also an element of judgement involved when identifying operations; it may be that the operations team has reason to expect that important project-related results will be more evident at a later date.

Each year EvD prepares a long list of projects that are potentially “evaluation ready” and initiates a dialogue with other EBRD departments to work out a final list. Discussions include sector and country teams, the Office of the Chief Economist, Risk Management and others with knowledge of the project. In some cases Management may argue that a specific evaluation should be delayed; EvD assesses the argument and makes an independent judgement. On the basis of these discussions, a final list of “ready” operations is produced, which then forms the content of the EvD project-specific work programme – on which more below.

Third, international good practice has been developed to ensure that evaluation ratings derived from a sample of projects may be considered a legitimate representation of institutional performance as a whole. Basically, these require that:

- independent ratings used to describe overall institutional performance may be drawn only from evaluations of randomly chosen operations
- the rating for any operation deliberately selected for evaluation, for whatever reason, may not feed into the overall performance rating, although it may be perfectly valid at the project level
- the sample size of randomly selected operations to be independently rated is large enough to provide a statistical confidence level of at least 95 per cent.

Project evaluations planned for 2014

Based on latest available information and extensive review with Management, EvD has identified 113 stand-alone operations that are ready for evaluation in 2014. The provisional breakdown across the three product types is summarised below.

Operations evaluations (OEs)

EvD plans provisionally to complete seven full, detailed evaluations. These have been selected deliberately from the ready pool based on the following considerations:

- they may highlight certain issues, or areas of interest or particular relevance to Board and Management
- they may offer an opportunity to build on recent work or to contribute to work in development
- they display good sector and geographical coverage, and use of different instruments.

In accordance with agreed good practice methodology, ratings from deliberately selected evaluations will not figure in EvD’s overall assessment of Bank performance; only ratings from randomly selected and evaluated operations feed into overall ratings. In addition to

project-specific ratings and the underlying analysis and evidence for these, OEs will seek to draw out findings and lessons that help to illuminate accomplishments or difficulties that might have wider value in terms of institutional choices, performance and accountability. Specific recommendations will, of course, be made where appropriate.

The seven newly scheduled OEs cover equity funds, infrastructure, resources and the financial sector, and span the EBRD's countries of operations, including the southern and eastern Mediterranean. Summaries of OEs will be published online.

Operations validations (OPAVs)

EvD will complete validations for 62 "ready" operations across a range of sectors and countries where the EBRD invests. Rigorous and fully independent, these are intended to be done mainly as desk studies. They are based not only on the recently improved self-assessments. (the Operational Performance Assessment – OPA), but also draw on the entire project file, related and independent analysis, and relevant sector and country background. Validations too will identify findings and potential lessons where justified by the analysis. There may be occasions when analysis results in a judgement that some field work or a more comprehensive OE would be justified. A synopsis report on the main findings of OPAVs will be published online.

Operations reviews (OPARs)

The self-assessments for the remainder of the final pool of "ready" operations (a total of 46) would receive the lightest form of independent EvD treatment – a review of completeness and basic quality. EvD will not provide an independent rating on the basis of this limited review, nor will the operation team's own rating feature in the overall assessment of institutional performance.

The review, sampling and selection process leading to the project evaluations intended for completion in 2014 has been significantly accelerated this year in order to harmonise the EvD WP process with that of the rest of the Bank. There remains a possibility, as always, that new information available after year-end may require some individual changes in the final list. However, any such changes would be kept to a minimum, and in any event EvD would inform the Board of any circumstances and the reasons.

Broadly the same selection and assignment process will apply to project-specific work for 2015. EvD would employ the same process to determine the "ready pool" of operations, and would expect to proceed with a broadly similar number and distribution of the different types of evaluation products. But in any event, next year's iteration of the EvD work programme would provide the Audit Committee with an up-to-date assessment and the opportunity to raise issues or make proposals of its own.



Special studies and knowledge products

Free-standing, in-depth evaluations focusing on particular cross-cutting issues, themes and challenges are a core EvD product. These special studies can serve various purposes. They can:

- address higher-level issues of particular strategic or operational importance to the Board and/or Management
- take a longer term or more sector-wide perspective than provided by more project-focused evaluations
- assess processes or other corporate-level matters
- examine areas of interest or concern that may cross sector or regional lines or feed into future work expected by Board and Management
- look at relevant experience outside the Bank
- focus on specific instruments or sets of instruments.

In most cases such work aims to both assess experience or performance and provide relevant and useful insights.

Special studies typically require a significantly higher level of resources, expertise and time than most project-based evaluations. Often the work required to complete a high-quality final product can straddle calendar years. It is partly for this reason that, starting in 2014, the EvD work programme will set out a multi-year proposal for special studies (although the budget remains a single year framework).

During discussion of the EvD work programme for 2013, Audit Committee members requested that EvD bring a longer list of possible candidates for special studies from which they might choose and prioritise. A longer list also provides the basis for a multi-year approach, though all recognised that the Budget and work programme discussion and approval process for EvD would remain an annual one.

Special studies that EvD is scheduled to deliver over the coming 24 months are itemised below. Taking into account work currently under way and available resources, EvD aims to complete four or five new special studies each year. In most cases delivery will be scheduled for the same calendar year but in some cases preparation may require more time. The expected preparation timetable for each special study will be set out in its accompanying approach paper (below).

Consistent with the Bank's Evaluation Policy and best practices, EvD prepares an approach paper in advance for each planned special study. These papers set out the main issues to be explored, methodological approaches or challenges, resource needs, expected timing for preparation and delivery, and key aspects of existing work that may be relevant. Approach papers are discussed in advance with Management – not to obtain endorsement or approval, but to ensure mutual understanding of the study's intended scope, purpose and methods. All approach papers are available on ebrd.com.

Special studies to be initiated in 2014

EvD plans to initiate the following special studies in 2014, with approach papers prepared in advance for each. The list reflects guidance from Board Members at the Audit Committee meeting of 19 November 2013, and from Management via its two EvD focal points, the Managing Director of the Portfolio Business Group of Banking (which supervises management of the Bank's portfolio of debt and equity) and the Director of the Strategy and Policy Coordination Team within the Policy Vice-Presidency.

Agribusiness sector review

A new sector strategy is slated for approval in 2015; the most recent EvD sector review was completed in 2008. As set out in the Evaluation Policy, EvD has a broad strategic undertaking to deliver updated evaluation findings ahead of new sector strategy work to provide useful context for Board and Management.

Property and tourism sector review

Management is expected to start work on a new strategy for delivery in 2015. Guidance from the Audit Committee suggests that sufficient EvD input would be in the form of a lighter review that draws on property and tourism evaluations of recent vintage, perhaps supplemented with relevant performance assessment material from comparable organisations.

Transactions with state-owned or state-dominated firms

Board and Management see substantial potential value in a review of Bank operations involving state-owned or state-dominated firms. In particular, the review would focus on transaction trends, design components and targets with respect to transition and market-development expectations, how well these components were delivered, and the technical cooperation (TC) and policy dialogue dimensions of these transactions. The expectation would be to contribute valuable insights for the upcoming Capital Resources Review discussion. Clearly, the study would need to be scoped, and this would be articulated in the approach paper.

Equity projects – longer term performance

This is a look-back over the past decade to assess the transition and market-building effects of EBRD equity investments. This work would be combined with and extend a special study now in progress intended to focus more generally on longer-term transition performance of Bank operations (see below). The study would be expected to inform Board/Management CRR5 discussions, including regarding deployment of alternative investment instruments.

Sustainable Energy Efficiency Facilities (SEEFs)

This special study would build on earlier EvD work on the Sustainable Energy Initiative (SEI) and on more recent project evaluations. It would review project design variations and different patterns of effectiveness, use of subsidies and donor funding, and observable results across different SEEFs. The study would focus on a representative sample of more than 25 SEEFs approved since 2007, amounting to more than €2 billion. Depending on resource availability, EvD could also initiate preparatory and scoping work on the following special studies with a view to the 2015 work programme.

New TC results framework

This study would build on recent EvD work on TC and evaluability and provide an early assessment of important recent changes made in TC-related instruments and processes. The value of this piece would be enhanced by allowing new processes to run for a year or so; thus delivery in 2014 is not envisioned.

Experience with Resident Offices

This would be a first corporate-type evaluation for EvD, intended to assess RO/HQ processes, linkages and synergies. It could usefully draw on similar relatively recent studies in other multilateral financial institutions.

Nuclear safety programme

This is an important, long-standing and unique area of activity for the Bank, with distinctive funding and governance characteristics, and which has not previously had any evaluation. As is the case with all other elements of the work programme, next year's process provides Committee and Board members with full means to revisit special study topics and priorities. Indeed, with new opportunities or needs certain to arise, it is essential for the annual work programme development and review process to continue its role in EvD oversight and direction.

Special studies under way

Work on several already previously scheduled special studies is under way and expected to be completed in 2014.

Policy dialogue in Ukraine

This study evaluates the Bank's experience with policy dialogue in Ukraine. Delivery is expected in early 2014.

Russian rail sector integrated approach

This evaluation will look at the Bank activities in the Russian rail sector over the past decade, including the context of its integrated approach. This is included in the 2013 WP and is under way, with delivery planned in 2014.

Carbon Investment Fund (CIF)

This is a joint evaluation work by the evaluation departments of the multilateral institutions involved in the CIF. Expected completion was the end of this year but this has slipped to June 2014.

Longer term transition impact of past EBRD projects

A previously scheduled review of the longer-term transition impact of selected operations approved 8 to 10 years ago is still in a very early stage and may be merged with one of the new studies proposed for 2014.

New knowledge products

In previous work programmes EvD has included the launch of new knowledge products. These products are intended to draw on and present in compact form the experience and evaluation findings of other organisations that may be relevant and useful for the EBRD. An initial piece covering experience with public-private partnerships in the road sector will be circulated shortly. However, other work in this area has not been prioritised given staffing constraints. EvD renews its plan to deliver two or three "Evaluation insights" in 2014. Two topics carried over from last year's WP are (i) results of private sector operations in southern and eastern Mediterranean; and (ii) the impact of micro, small and medium-sized enterprise support operations on intended beneficiaries.



Annual reporting

The Annual Evaluation Review (AER) is the EvD flagship publication. It has been substantially restructured to serve as both a reporting tool for EvD products, activities and key findings, and as a vehicle to present policy-relevant pieces of analysis to Board and Management in compact form. With Board and Management feedback having been broadly positive, EvD will extend this basic approach, with further refinements.

Specific items planned for a more in-depth treatment in the forthcoming AER include:

- an assessment of the evaluability of a sample of recent projects using the new checklist
- an assessment of the quality of self-evaluations now being delivered through the new Operations Performance Assessment (OPA)
- a preliminary review of results frameworks for TC operations prepared under the new TC results approach.

EvD has worked with some success to deliver its AER earlier in the calendar year. It has committed to deliver the 2013 edition ahead of the Bank's annual meeting in 2014, and would plan to remain on that delivery cycle thereafter.

EvD has also long-produced, jointly with Management, an annual report on "Management Follow-up to EvD Recommendations". These reports consolidated the specific EvD recommendations contained in evaluations completed over the reporting period, together with statements from Management on specific follow-up actions taken on the back of those recommendations.

EvD and Board members agreed earlier this year that the entire system for capturing, tracking and reporting on Management follow-up to EvD recommendations needed to improve, both in terms of structure and effectiveness. EvD committed to develop proposals for such an improved system and share them with Board members by the end of 2013.

The precise form of future follow-up and reporting on EvD recommendations is therefore still to be determined. However, it is certain that any agreed new system will rely on an improved tracking and reporting system, with additional responsibilities that will need to be incorporated into both EvD and Management work plans.



Services to the Bank

With strong Board and Management support EvD has repositioned itself to provide an expanded set of services to the Bank, contributing both to operational performance and to the relevance and effectiveness of its evaluation efforts. EvD began providing a number of new services in 2013, including an expanded range of training activities; improved knowledge dissemination tools and processes; and more direct contributions to Bank work in specific areas. EvD will continue this work in 2014, and reflect in its next work programme whether any further modifications are warranted.

Separately, EvD plans to run an update of the client survey carried out in mid-2011 to gauge current perceptions of EvD products, processes and services as they continue to evolve. This will provide important feedback to help fine-tune efforts where needed. Results will be widely shared.

Training

EvD will continue its substantially increased contributions to the Bank's flagship Banking Academy training programme for new bankers, through three main channels. In 2014 it will:

- present the module on evaluation that is now part of the “Core Banking Skills” programme, five or six times a year
- continue to deliver its e-learning module on evaluation, now a prerequisite for the core skills programme
- deliver and present the evaluation-related components of a new Banking Academy sequence, also mandatory for new bankers, on project monitoring and supervision.

Feedback on EvD's contribution to the core skills programme in 2013 was quite positive. We will build further on this work in 2014, contributing to 8 to 10 Banking Academy programmes during the year.

EvD has initiated several efforts in the past two years to review and strengthen the use and effectiveness of TC activities. These include: completing a review and synthesis of a decade of TC evaluation work; assisting with development and delivery of a new TC training module; providing substantial input into the new TC results framework; and contributing to a series of ad hoc workshops to train staff in the new results framework. On the latter, EvD presented a core module based on TC results matrix case studies tailored to participants' needs. EvD will continue this collaboration and service provision in 2014, focusing on a roll-out of a new TC training programme built around the newly designed TC system and results approach.

Operations staff responded positively to EvD training on the new OPA system for self-assessment of project performance. Demand for additional training is high and EvD will continue this training in 2014, at the EBRD's Headquarters in London and in Resident Offices (ROs). Enhanced training for RO colleagues is especially valued and will be prioritised as resources permit.

EvD staff will continue to contribute directly to regular Bank training sessions for new entrants, conducted roughly monthly.

EvD has indicated it is prepared to contribute to or participate directly in any training or communication initiatives flowing from the on-going results agenda.

Knowledge dissemination

EvD will build further on work begun in 2012 and 2013 to increase the scope and effectiveness of knowledge dissemination about evaluation work. This includes: circulating evaluation documents internally; producing papers focused explicitly on knowledge transfer; outreach to Bank staff; and improving EvD web-based resources.

With respect to internal circulation of evaluation material, the Evaluation Policy states that “evaluation reports will be made available to internal users consistent with confidentiality safeguards”. Accordingly, EvD now circulates OEs and validations widely to internal audiences, including the Board, as a matter of practice. This should encourage greater awareness of experience and absorption of its lessons, help the Board to engage more effectively in the range of performance evaluation and assessment work being done in the Bank, and contribute directly both to institutional accountability and institutional learning. There may be value in assessing whether these objectives are being advanced by the new approach after it has been operational for a few years.

EvD continues to circulate special studies widely internally as a matter of standard practice. EvD has started making presentations to staff on specific special studies as an integral part of its delivery plan. The reception has been positive, and the intention will be to introduce such presentations as a standard element of EvD delivery and dissemination of these papers.

As noted above, EvD will be producing several examples of a new product (Evaluation insights) intended to present a distilled version of external experience, analysis and findings that would be relevant and useful to the EBRD in its work. These will be disseminated through a variety of channels, covered below.

Web-based resources

EvD has completed a comprehensive restructuring of its lessons database, an information-rich but long undervalued and under-used resource. The basic database was compacted by around 90 per cent to about 350 more current and operationally relevant lessons presented in improved form. Feedback from the Banking department on these changes has been quite positive.

EvD has also made major further refinements focused on improving usability and value: updating the IT platform to improve interactivity and usability; preparing the system to allow operations teams to enter (clearly marked) updates to capture important developments on the ground (thus keeping the database more current and relevant) and to allow Corporate Recovery to enter its own lessons (also clearly marked). In part as a result of these major upgrades, project officers will be positioned to draw upon relevant experience on their own, and will no longer rely on EvD to either provide this service or to endorse the appropriateness of the findings they extract.

EvD has also updated and redesigned its intranet pages to provide a better platform to communicate its work to the Board and Bank Management and staff. This provides a foundation to extend upgrades to the external evaluation web pages, as part of a wider upgrade effort now under way.

Workflow management and efficiency

EvD has made substantial progress this year in consolidating and upgrading its tools for storing and sharing EvD work, previously spread across multiple independent platforms. This includes a transition to the centralised platform used by the rest of the Bank – Livelink – now under way in cooperation with the Information Systems department.

EvD has participated fully in a corporate-wide review of IT-related needs and funding priorities for 2014. The department identified two priorities – important but not costly, and both involving upgrades to existing systems.

The first is some enhancements to existing systems to provide a platform for the improved follow-up and tracking system for EvD recommendations that the Board has requested. The second is some enhancements to Livelink in order to support a significantly improved system for tracking and managing key responsibilities in the evaluation process, beginning with completion of project self-evaluation (OPAs). EvD will work closely with the Information Systems department to develop this tool in 2014.

Direct contributions to Bank work

EvD has been contributing on an independent and invitational basis to a number of management initiatives, in addition to those already mentioned. These include: the review of the Public Information Policy and the Environment and Sustainability Department Policy; commenting on selected draft strategies; working on issues related to the Transition Impact Monitoring System, following the Results Task Force; and continued implementation support for new TC processes.

EvD has indicated to Management that it is open to additional such opportunities as may develop to provide useful evaluation input into the work of the organisation, consistent with its particular mandate and constraints. EvD is prepared to consider these favourably and case-by-case, resources and Board prerogatives permitting.

Engagement with Management

Engagement between EvD and Management continued to develop effectively this year, providing a solid base on which to build.

The newly created Strategy and Policy Vice-Presidency is now functioning as one of two designated Management focal points for EvD (the other focal point is for project-level evaluations). Communication and collaboration have been very positive, and will continue to develop as the role of new units and forums (such as the Strategy and Policy Committee) take further shape. Regular meetings provide a good opportunity to flag and discuss issues with intersecting interests and activities. EvD will maintain these regular meetings in 2014 and has every reason to believe that they will continue to provide a valuable and effective forum serving EvD, Management and Board interests.

Project-level coordination is being managed with and through EvD's designated Banking Department focal point. Here, too, processes are working well overall, contact is regular and constructive, information sharing has been much improved relative to past years, and issue-specific consultations have been effective. Again, there is a solid base on which to move ahead in 2014.

The Chief Evaluator meets the President regularly, and other top-tier Management on an ad hoc basis. He also participates from time to time in Executive Committee meetings, which is an excellent opportunity to draw members' attention to issues, concerns, opportunities or accomplishments. All of this is welcome. However, there is scope and potential for mutual benefit from a more systematic engagement between EvD and the operations departments, and this will be an area of greater emphasis in 2014. In particular, the Chief Evaluator will seek to revive periodic participation in Banking Department senior team meetings, perhaps quarterly, to provide updates and raise issues that would benefit from greater senior level attention.

In 2014, EvD will increase the number of presentations it makes to operational teams on completed evaluation work. It will also engage with Operations Committee staff to agree a forum for regular engagement (perhaps every other month) between EvD and operations-side colleagues below the Managing Director level. The purpose would be to deepen our dialogue and exchange on issues of mutual concern, such as Audit Committee discussions on EvD papers and progress on the various results-related initiatives.



Audit Committee and Board engagement

The Audit Committee is the primary point of engagement between EvD and Board members, and as such is EvD's single-most important institutional interface and the focus of discussion and review of all major evaluation-related issues.

After asking the Committee for earlier and more specific attention to strategic and policy-level evaluation matters, EvD has been working towards a more systematic engagement around the Department's evaluation work itself. There is shared desire on the part of EvD and the Committee to more regularly discuss evaluation work – both higher level and project-specific – especially where it can inform Board thinking about its more strategic challenges and concerns.

In addition, under the new Evaluation Policy, Committee members are receiving significantly greater numbers of evaluation papers than in the past (largely, the 40-50 individual validations whose earlier variant was never shared with Board members). The Committee has asked EvD to propose how it might best both engage regularly with EvD (and Management) around substantial evaluation papers, and deal effectively with the increased overall flow of EvD material.

EvD has provided the Committee with some preliminary views on this and will pursue that discussion outside of the context of the work programme and budget review. But however we agree to proceed there will be undoubtedly be some new EvD work outputs. Possible initiatives in 2014 to reduce the volume of EvD material being circulated while increasing its use include:

- a quarterly digest of completed evaluation work, including new validations, summarising key issues, findings and ratings
- the Committee targeting at least one EvD-specific session per quarter, and seeking to have two other such sessions per year. EvD items would also be part of the Committee's broader agenda on a regular basis
- small groups of validations, perhaps grouped by sector or key issue, which could be presented to the Committee; Management participation wouldn't be expected
- informal meetings between EvD and Board Advisers to improve communication outside of the Committee setting, including identifying where specific Board members might value some direct exchange on evaluation-related issues.

Board members' periodic consultation visits to countries of operations are intended to deepen direct understanding of the Bank's operational work and context. Participants are provided by Management with substantial background material, but EvD has not traditionally contributed. This is a missed opportunity to bring evaluation material to the attention of Board members in a way that could contribute directly to the value of the visits.

In 2014 EvD will begin to provide briefing material on relevant evaluation issues in advance of Board consultation visits.



EvD tools and methods

The wider scope and improved focus of EvD work, as captured in both the Policy and recent work programmes, has required changes to some existing processes and tools. This includes:

- new templates for project self-evaluations
- new EvD products such as the OPAV
- restructured full evaluations (OEs) and short reviews (OPARs).

These revised tools have been developed within EvD, assisted by an iterative discussion process with Management counterparts. Together with familiarisation and training efforts by EvD this has helped to improve the final product and build operation-side appreciation for the merits of change.

A key area of ongoing work concerns possible improvements to the performance rating methodology, where work has accelerated after a delay due to personnel medical problems. EvD is on track to circulate a detailed guidance note, as required by the Evaluation Policy, and will use that as a basis for discussion with Management. A key objective remains to improve consistency and comparability across evaluations and between EvD and Operations, and to extend performance rating guidance to TC, where none existed previously.

EvD established an external peer review process in 2012 intended to draw from a fully objective external review and perspective in cases where it might contribute usefully to the final product. The “Panel of External Experts” comprises highly experienced individuals who are available to EvD for consultation on a fee-for-service basis. Use has been limited thus far but invariably helpful. EvD plans to retain this low-cost panel and expects to make somewhat greater use of its skills as new recruits join the EvD team.

EvD is also still on track to deliver a guidance note setting out the technical details of its sampling process, replacing and improving on a dense section of the previous Policy.

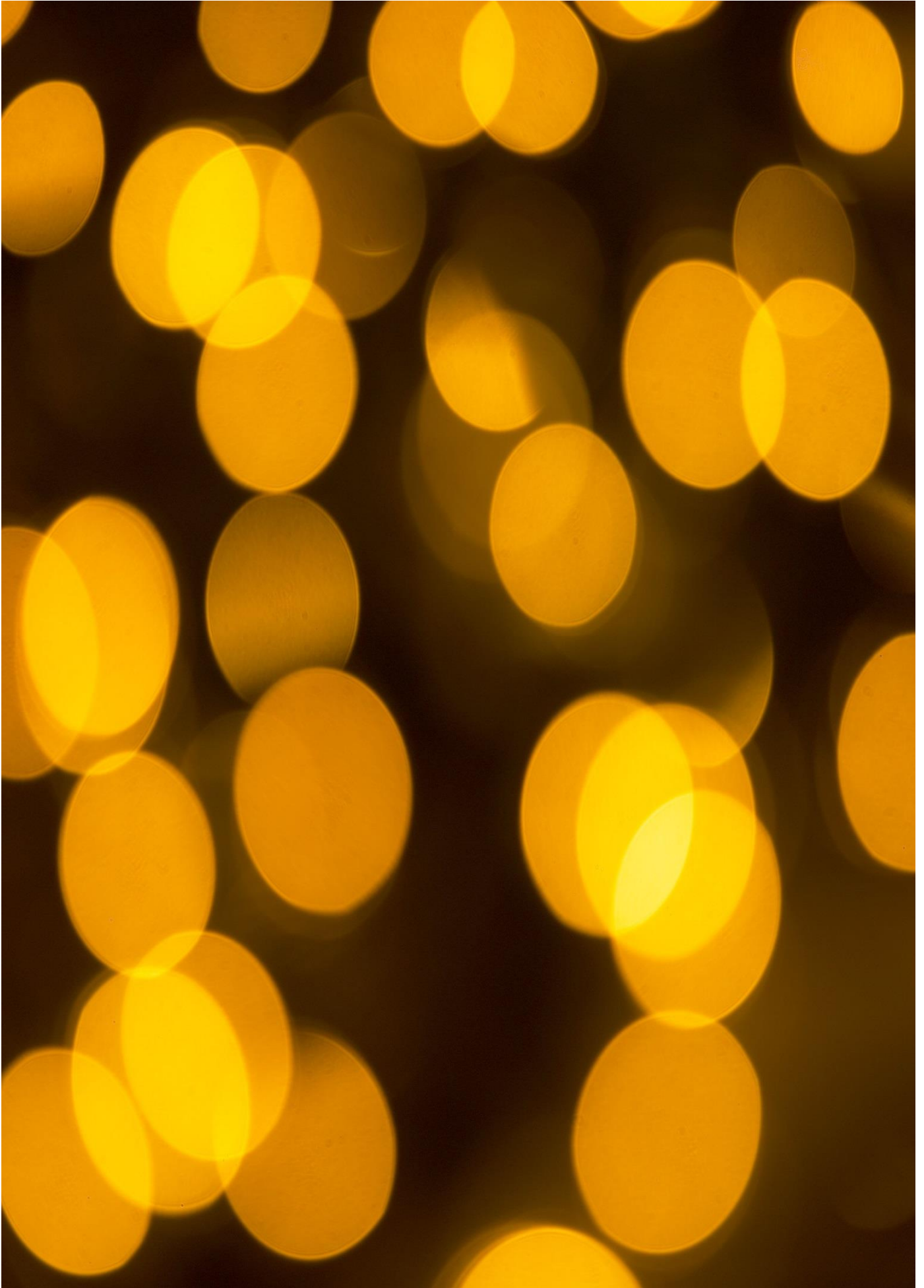


International engagement and collaboration

EvD is actively using opportunities to strengthen its external engagements and to build selectively upon its existing professional network.

The most significant engagement is with the Evaluation Cooperation Group (ECG), which comprises the heads of evaluation in most of the major international financial institutions, and is proving to be a very valuable forum for professional exchange. The leadership of most member organisations has changed in the past two years, bringing fresh perspectives and dynamism to the Group's meetings, as well as a positive and pragmatic agenda. EvD will continue to participate in the group, both at its twice-yearly meetings and in specific current task areas and on a continuous basis. A key area for collaboration in 2014 is improving the consistency of evaluation methodologies across public and private clients.

EvD also participates in evaluation-related work under the auspices of the Organisation for Economic Cooperation and Development.



EvD Budget

EvD prepares its work programme and budget request for stand-alone review and approval by the Board. The budget is distributed to the Board of Directors, first for review by the Audit Committee and the Budget and Administration Affairs Committee, and then for approval by the Board at the same meeting as consideration of the Bank's overall Business Plan and Budget.

The EvD budget proposal for 2014 is shown below. The total 2014 direct cost budget, excluding occupancy costs, is £3.21 million, a proposed increase of 2.5 per cent over 2013.

EvD submits this 2014 budget proposal for discussion at the Audit Committee, based on the proposed work programme for the year.

The total 2014 direct cost budget, excluding occupancy costs, is proposed at £3.21 million. The overall EvD budget is projected to increase by 2.5 per cent in 2014.

The budget for staff costs is £2.4 million based on 17 budgeted regular positions. No vacancy assumption is applied, and no additional headcount is requested.

The budget for non-staff costs is £711,000, reflecting the impact of lower allocated IT costs per person (£1,420 versus £1,459).

The consultancy budget of £507,000, the same level as 2013, is used for specialised assistance with preparation of individual products.

Table 1: Proposed EvD 2014 budget

£000	2013	2014	14B/13B
Staff costs			
Salary costs			
Salary costs	1,441	1,484	3.0
Other staff costs	7	7	0.0
Allocated benefits	975	1008	3.3
Total staff costs	2,423	2,499	3.2
Non staff costs			
Consultancy costs	507	507	0.0
Travel and hospitality costs	123	123	0.0
Other direct costs	58	58	0.0
Allocated IT costs	24	25	2.8
Total non-staff costs	711	712	0.1
Total fungible costs	3,134	3,211	2.5

Annex 1: EvD deliveries in 2014

Work Programme Item	Q1	Q2	Q3	Q4
1. Project evaluations				
Full evaluations (OE, newly programmed)		1	3	3
Full evaluations (OE, already programmed)	1	2		
Validations (OPAV)	15	15	15	15
Reviews (OPAR)	10	10	10	10
2. Special studies and knowledge products (new)				
Agribusiness sector review			X	
Property and tourism review (light)		X		
Transactions with state-owned or led firms			X	
Equity projects - longer term performance			X	
Sustainable energy efficiency facilities			X	
Equity initiatives follow-up (progress report)			X	
Evaluation briefs (short survey papers)		X	X	
Special studies (in process)				
Policy dialogue in Ukraine	X			
Climate investment funds (joint with World Bank)			X	
Northern dimension environment partnership	X			
Russian rail sector operations		X		
3. Regular reports				
Annual evaluation review		X		
Digest of new evaluation results	X	X	X	X
Work programme and budget for 2015				X
Management follow-up on EvD recommendations				X
4. Training services				
Banking academy core skills programme	X	X	X	X
Banking academy project monitoring programme	X	X	X	X
Self-evaluation (OPA) training	X	X	X	X
Training for Bank new entrants	X	X	X	X
Support for on-going TC training		X	X	
5. Engagement (internal and external)				
AER presentation at annual meeting		X		
CE participation in ExCom	X	X	X	X
CE meeting with VP strategy and policy	3	3	3	3
EvD presents evaluation findings to operations groups	2	2	2	2
EvD presentations to Audit Committee	2	2	2	2
EvD hosts lunch for Audit Committee members	X	X	X	X
Informal meetings with Board Advisers	X	X	X	X
Evaluation Cooperation Group		X		X
OECD Development Assistance Committee EvaluationNet		X	X	
Evaluation events at sister organisations				
6. EvD management and administration				
Full EvD staffing maintained	X	X	X	X
New vacancies filled within 4 months	X	X	X	X
360 feedback completed for all current EvD staff				X
EvD staff engagement survey completed				X
IT platform for new follow-up tracking system		X		

7. Tools and methods

Evaluation quality checklist (internal EvD)	x
Upgraded work management tool	x
Renewal of review panel of external experts	x
Guidance note completed for upgraded rating system	x

European Bank for Reconstruction and Development

One Exchange Square
London EC2A 2JN
United Kingdom
Switchboard/central contact
Tel: +44 20 7388 6000
Fax: +44 20 7338 6100

Information requests

For information requests and general enquiries, please use the information request form at www.ebrd.com/inforequest

Project enquiries

Tel: +44 20 7338 7168
Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

EBRD publications

Tel: +44 20 7338 7553
Fax: +44 20 7338 6102
Email: pubsdesk@ebrd.com

Web site

www.ebrd.com

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**EBRD EVALUATION
DEPARTMENT**

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European Bank for Reconstruction and Development
One Exchange Square London EC2A 2JN United Kingdom
Tel: +44 20 7338 6000 Fax: +44 20 7338 6100
Requests for publications: pubsdesk@ebrd.com



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