**Minutes of the ECG June 2015 meeting**

**29-30 June 2015,**

**World Bank Headquarters, Washington D.C.**

**Overview**

The ECG June 2015 was chaired by Caroline Heider (Director General and Senior Vice President, IEG) in her capacity as ECG Chair 2015. The meeting was attended by representatives of all member institutions, two observers and external consultants who participated in the sessions on ECG Stocktaking and Visioning (see Annex 2 for the full participants list). Topics of the other substantive sessions included harmonization of the public and private sector GPS, MDB self-evaluation systems, evaluating corporate performance, and recommendations and feedback loop. The format of the meeting sessions varied to allow for a more interactive and participatory approach.

The seminar organized in conjunction with the ECG meeting looked at [how] development organizations learn and included a presentation by Soniya Carvalho (IEG) on a World Bank evaluation on learning from operations; a talk by Peter Senge, author of the Fifth Discipline: The art and practice of the learning organization; and a HARD-Talk on organizational change.

Following the welcome and introductions from the ECG Chair, and the tour de table, ECG members were invited to draw on the ECG Stocktaking Report (Session 2) and reflect on past achievements, to then be able to identify work areas of continued interest to ECG members. Such areas included: pushing frontiers on evaluation methods; dissemination activities and platforms/ outreach; leverage and credibility inside their own institutions; knowledge sharing on all things evaluation; and maintaining and using the GPS, and standard setting. As follow up, in Session 6 (ECG visioning) members worked together to define a vision for ECG’s future and develop key elements and path towards formulating the vision. The Session was facilitated by Larry Danner, The Clearing, who asked members to identify what they really want or need from ECG for the group to then be able to identify grounds and purpose. The discussions are to be followed up at the next ECG meeting.

Session 3 on harmonization of the public and private sector GPS was chaired by Todor Dimitrov (BSTDB) and featured presentations by IADB and EBRD on the processes and challenges of harmonization. Questions on additionality, sustainability and outcome evidence were also discussed. There was much interest among members on this topic and it was suggested that discussions and sharing of experiences continue at future meetings. Members were also asked to share their guidelines and templates.

Session 4 was a Davos style roundtable chaired by Rakesh Nangia (AfDB) with contributions from IsDB, IMF IEO, BSTDB and EBRD. Participants detailed the key features of their self-evaluation systems, moves taken by management to strengthen self-evaluation in their institutions and the role of the evaluation office. The Session Chair highlighted the need for on going experience sharing on this topic and indicated that an area for further consideration would be the balance between self and independent evaluation.

Oscar Garcia (IFAD) chaired Session 6 on evaluating corporate performance. Colleagues from ADB, BSTDB and IsDB presented the success factors leading to effective corporate level evaluations and highlight challenges of conducting these types of evaluations in their institutions. Factors of success highlighted included timing, topic selection, framework development, and early engagement with and strong ownership by the Board. Challenges included resistance by management to corporate evaluations, high risk v high cost element, use of consultants and, in the case of IsDB, a rushed strategy formulation.

In Session 7 on recommendations and feedback loops, session Chair, Joe Eichenberger (EBRD), invited participants from AsDB, BSTDB, EIB, IADB and IFAD to share their perspectives and experiences in producing credible and actionable recommendations, as well as the challenges in forming these recommendations, getting buy in from the Board and tracking implementation. Despite the different institutional set ups, it was apparent that many members are facing the same challenges including buy in from management, delayed or no implementation, issues with formal follow up. Members pointed to areas where things are going right with some progress, but highlighted many holes and disconnects in the systems. In terms of follow up, it was agreed that this important topic be revisited at the next ECG meeting. EIB offered to share more details on is recommendations and follow up system. While IEG offered to share more a workshop format they have developed which engages management in a more informal environment off site.

While the dates of the next meeting are yet to be determined, a number of agenda items have already been identified. Most importantly, is the continuation of ECG’s visioning exercise. IEG will take the lead on developing next steps before consulting with members. Consideration will be given to inviting CODE members to the next ECG meeting. Members indicated a strong interest in further sharing their experiences in areas related to harmonization of public and private sector GPS, self-evaluation and recommendations and feedback loops.

**Annex 1 - Full meeting notes**

**Welcome and opening remarks**

Caroline Heider, Director General IEG and ECG Chair, began by welcoming participants to the ECG June meeting. She acknowledged the difficulties in identifying a date convenient to all members before June and assured participants that a date for the second meeting would be found before more promptly.

She welcomed, in particular, Geeta Batra, new Deputy Director, GEF IEO and Marco Segone, UNEG Chair. She expressed thanks to Monika Weber-Fahr, Chief Knowledge Officer and Senior Manager, IEG and her team for organizing not only an exciting agenda but also for introducing innovative session formats to ensure a participatory approach.

The draft agenda for the meeting was approved.

**Session 1 - Tour de Table**

*Inter-American Development Bank, Office of Evaluation and Oversight (OVE)*

At the IADB annual general meeting in March a new policy on capital adequacy was agreed and the Board approved a new IFC model which enlarged the mandate of the evaluation office.

OVE has published a number of evaluations including some slightly controversial country programme evaluations with countries not wishing to received negative feedback. The OVE Annual Report was completed and in 2016 will focus on policy-based lending.

*International Fund for Agricultural Development, Independent Office of Evaluation (IOE)*

IFAD completed its replenishment for 2016-2018 with new management results framework. IOE finalised a revised edition of its evaluation manual. This was a major undertaking and thanks was given to ECG members who peer reviewed specific chapters. IOE has made efforts to improve the timeliness of its evaluations and therefore shortening processes, a process in which management has been engaged. IOE conducted a (sensitive) corporate level evaluation on PABS and has just presented its programme for work and budget for 2016 to the evaluation committee. IFAD management recently conducted a benchmark study looking at costs of evaluation in relation to other IFIs without consultation with evaluation committee or IOE. Management are complaining about being over evaluated and comparing levels of staff productivity to other IFIs. Also, due to lack of economies of scale in IFAD, administration costs are higher. IOE saw this report as an opportunity to establish a frank dialogue with management on how to improve decision making. However, since the office is independent, if management want to reduce the number of evaluations, this should be discussed with the Board.

*Islamic Development Bank, Group Operations Evaluation Department (GOED)*

At the 40th Annual Meeting of the Bank in June held in Mozambique, ICD’s share capital doubled from USD 1 Bn to USD 2 Bn subscribed capital and USD 2 Bn to USD 4 Bn authorized capital. A delivery support mechanism is being set-up under the President to monitor the implementation of the Rapid Steps Action Plans, as well as the operationalization of the 10 Year Strategy. GOED played a key facilitation role in this whole exercise.

GOED are currently undertaking new evaluation of IsDB Group’s Trade Financing and Promotion. This is a major evaluation, after the one of the 40-Year, as trade sector accounts for half of the overall financing of IDB Group since inception and includes missions to Turkey, Indonesia, Morocco and Bangladesh to prepare case studies. GOED have benefitted from the experience of IEG and IED of the AsDB as they have conducted similar evaluations recently. Thanks were expressed in particular to Vinod Thomas and Mala Hettige (AsDB), and Caroline Heider and Marvin Taylor-Dormond (IEG) and their teams for their support and sharing of knowledge. GOED was involved in helping ICIEC set-up its M&E Function. Thanks were given to Paul Barbour (MIGA) for his inputs and support to develop the Policy. GOED is also conducting a synthesis of technical assistance evaluations, and evaluations on the agriculture, energy and health sectors.

*International Monetary Fund, Independent Evaluation Office (IEO)*

IMF IEO are currently working on three studies and two evaluations on fragile states and macro financial frameworks. Colleagues expressed an interest in talking to other members with experience in these areas. A self-evaluation evaluation, and an evaluation on data and statistics were recently completed.

*Black Sea Trade and Development Bank, Evaluation Office*

The Bank is currently facing a number of challenges following recent issues in Greece, in particular since the Bank is, to some extent, exposed to the Greek economy. Despite regional challenges, the Bank was recently rated B+ with a positive outlook. The Bank saw implementation of its first performance management system with balanced scorecard and key performance indicators. It was a difficult process, which started as a pilot, and which has enlarged the function of the evaluation office. The office recently completed the evaluation of country strategies where many countries strongly objected to criticism, in particular Russia and Greece. Final rating of the evaluations were not changed but a paragraph was added on why country strategies were not successful. BSTDB has became active in social media (twitter, FB and LinkedIn).

*European Bank for Reconstruction and Development, Evaluation Department (EvD)*

EBRD is going through a difficult period with lots of deep internal tensions, in particular since the basic propositions and working assumptions of the Bank are proving to be mistaken. The Bank is embracing the SDGs and setting ambitious lending targets. The new Vice President for strategy and policy is rolling out initiatives to deepen policy dialogue, strengthen country strategy, and roll out a new results framework. This is an ambitious agenda and EVD is reflecting on the impact on evaluation.

EVD is starting to see pay offs emerging from a long and different set of investments to reposition the department. There is a much stronger demand for training, in particular for self-evaluation. The shareholders special fund evaluation produced tough recommendations which were accepted by management. There is a feeling that EVD is having quiet successes through objective work of value which the office hopes to build on in the future.

*Asian Development Bank, Independent Evaluation Department (IED)*

The Annual Report was discussed at the Board who requested recommendations and follow up. The China country programme evaluation raises questions on ADBs engagement with China as a middle-income country.

Vinod Thomas expressed an interest in improving knowledge sharing among ECG members in particular in view of ADBs major evaluation of safeguards where there is a disconnect with ADB’s and World Bank’s conclusions. AsDB are also struggling with the issue of engagement with management, whereby previously there was no connection, but now perhaps they are too close. There is also a feeling that the connect with ECG is underexploited.

Mala Hettige will be leaving AsDB shortly.

*United Nations Evaluation Group (UNEG)*

In the context of the sustainable development goals (SDGs), UNEG is trying to incorporate evaluation in follow up and review mechanisms which is requiring lots of advocacy with member states.

One finding of the recent review of UNEG’s strategy found the Group to be too inward looking. A new strategy has therefore been developed to strengthen the evaluation functions of members; strengthen the use of evaluation by decision makers (previously weak before); establish a United Nations (UN) system wide evaluation system; and build stronger partnerships with the wider evaluation community.

The 2015 year of evaluation is not an official UN international year but a movement which started in 2012 and declared in 2014. It was acknowledged by the UN General Assembly in December 2014 and the UN Secretary General in March 2015. 77 global events are being organised which will end with a Global Evaluation Week in Nepal where the global evaluation community will meet with parliamentarians to discuss demand, supply and use of evaluation.

*Global Environment Facility, Independent Evaluation Office (IEO)*

The 6th comprehensive evaluation is to be completed by end 2017 but only for 4 of 17 evaluations are currently completed. Current work is focusing on environmental benefits, civil society, mainstreaming impact evaluations. There is also a big push to strengthen methodology.

*European Investment Bank, Operations Evaluation (EV)*

The Inspector General celebrated its 10th anniversary and held a conference which was attended by a number of ECG members. Lessons that came out of the conference included the importance of accountability as a learning tool; the need for middle management to have buy in; how strong governance should be seen as comparative advantage; and communications should be clear so that everyone can understand.

In terms of the big picture, EIB is in a positive position despite events in Greece. Six months ago, the new commission chair launched a new investment programme which should add up to an extra EUR 50m investments through the private sector.

Following on from the workshop, the Evaluation Office are working on improving communications, in particular recommendations that are understandable. Follow up to recommendations has been established but there are some problems. The office is also finalizing an evaluation on climate action.

*African Development Bank, Independent Development Evaluation (IDEV)*

The Bank has now finalised its relocation to Abidjan. The move was successful as it was below budget and there were no disruptions in work. The new President (from Nigeria) will take over on 1st September 2015.

AfDB management anticipated the new arrival of the new Banks launched Africa 50, as an infrastructure bank. It is a separate entity with separate charter with a clear direction focusing on PPPs. It is not yet clear who will be responsible for evaluation.

Phase 1 of the comprehensive evaluation for development results has been discussed. The second phase looks at external side with synthesis of 15 country strategy evaluations, and two impact and two cluster evaluations. This means a large number of products need to be synthesized before being presented to Bank management in June 2016.

OVE is preparing a three year rolling work programme with 20 evaluations per year. The office has not yet received feedback about over evaluating but are expecting it to come. Management and other stakeholders will be able to provide feedback on the PWB when it is presented in July.

The evaluation policy been discussed at three Board meetings but there is still no closure. An important sticking point is who should evaluate the Evaluator General.

*World Bank Group, Independent Evaluation Group (IEG)*

The report of the external evaluation of IEG has been received and centres on utilization and learning by management. Although it highlighted a number of issues including insularity and the absence of work on ECD, IEG’s global public good was recognised. Recommendations include retaining IEG’s independence; conducting independent reviews every five years; a single five year non renewable term for the DG; an evaluation policy covering the whole WBG; stronger oversight by CODE over IEG; quality enhancement; including management in the evaluation and for them to draft their own recommendations; and widening the scope of work on capacity development. The report will be discussed at a meeting in July and it is not yet clear how the Board will react.

IEG is going through a reorganization process and is working intensively on a bottom up approach. Staff are engaged in developing responses to a number of concerns. A Working Group came up with proposal based on two departments, instead of three, which responds to a number of parameters including improving quality and moving resources to the frontline. Efforts are now being made to find a way to balance these new departments which should be implemented by Fall.

The WBG is still going through a huge reorganization which is proving complicated to implement. Senior management have regrouped global practices under three new vice-Presidents. In terms of overall direction, WBG is approving at a good pace. However, performance is dramatically declining and the staff survey report reflected a concerning low assessment of senior management by staff reflecting the complexity of the Banks’ direction.

**Session 2: ECG Stocktaking**

Based on the findings from the ECG Stocktaking Report, members were asked to work in small groups to identify what they considered to be highlights (achievements) of ECG’s work over three time periods (1997-2005, 2006-2010, and 2011-2015). Through the exercise members noted ECG’s achievements in improving the quality of independent evaluation, sharing of experiences and learning, outreach (with the wider development and evaluation community) and products (including evaluation and synthesis evaluations).

Simon Lawry-White was the consultant who conducted the stocktaking and prepared the report. He highlighted a number of particular issues that on which ECG members should wish to reflect including relevance of the ECG mandate, the group’s self-authorizing nature and the need for a strong direction to move forward, output v outcome, and the need for the group to be entrepreneurial in the sense of taking on a task but stopping when there’s no advancement. He suggested a light, flexible, action oriented approach would perhaps be appropriate for the group.

Based on the areas identified in the first exercise, members worked in groups to identify areas of work on which they wish ECG would continue working, namely:

* Pushing frontiers on evaluation methods;
* Dissemination activities and platforms/ outreach;
* Leverage and credibility inside their own institutions;
* Knowledge sharing on all things evaluation;
* GPS: Maintaining, and using and standard setting.

Members were asked to reflect on these outcomes for the discussions on ECG visioning (Session 5).

**Session 3: Harmonization of the public and private sector GPS**

The session, Chaired by Todor Dimitrov (BSTDB) featured presentations by IDB and EBRD on their experiences in harmonizing public and private sector GPS.

IDB has worked hard to develop tools to assess project-level development effectiveness. A new PCR system was designed and piloted in 2013 and 2014 which follows closely the criteria used by other MDBs (in line with the GPS). The overall quality of PCRs has improved considerably under the new guidelines. However, some shortcomings remain in the new methodology, notably: the rating system is too inflexible and lacks comparability with the IDBG private sector windows and the template lacks space to discuss implementation progress and problems in design. A new system (XSRs) has been designed with all 4 NSG windows over the past year. The new system moves toward an objective-based evaluation methodology (comparable to that used for PCRs) and focuses centrally on development effectiveness. The new XSR is being piloted in 2015. Seven projects reached EOM in 2012, and the XPSRs were prepared under the old system (GPS4). The ratings were generally positive, but the quality of the XPSRs could be further improved. Most did not document well the effectiveness of the projects. In terms of recommendations, the PCR guidelines are to be revised to further harmonize them with those of the private sector and to address some shortcomings identified in the report, also implementation of the new XSR guidelines will continue. Overall, revision of theevaluative framework in IDB has been a rather slow and steady with the real challenge going to be implementation over the next few years.

EBRD’s experience were presented by Keith Leonard (by phone). He reported that EBRD has never applied the public sector GPS even to the less than 10% sovereign guaranteed lending. EBRD was also never fully harmonized with the private sector GPS either as they only followed three of four criteria. Rating guidance had tended to be idiosyncratic in that it was built up from EBRD’s mandate rather than a set of guiding principles. Furthermore, EBRD never had guidance for the rating of technical cooperation. He then focused on the three reasons why EBRD set about developing new performance rating guidelines. First, under the new rating system, the road taken to the overall rating is much clearer, and helped identify the drivers of good or poor performance. Second, the new rating system provides clarity through the use of evaluator selected criteria and sub-criteria weights and an evaluator rating overall function of automatically generated ratings at the sub-criteria, criteria and overall rating levels. Third, inter-evaluator consistency.

EBRD EVD was opportunistic and found a relatively rapid embrace people found to be pragmatic. They have in place some improved instruments but the longer term challenge of building into projects and the cycle is a long way away.

Questions looked at how members considered additionality, sustainability and outcome evidence. IDB has always questioned its additionality in the private sector, but never in the public sector. However, there is no particular reason for this. In EBRD, additionality is relevant in both the public and private sector. Sustainability, known as risk development outcome in the World Bank, is looked at in terms of environment, social, governance, finance. IDB also pushes to look at ENS. Attribution is a large issue in IDB but needs to be practical and look at the rest of the context.

**Follow up / Next Steps**

* Discussions and sharing of experiences to continue at future meetings.
* Members to share their guidelines and templates.

**Session 4 – Self-evaluation systems**

Rakesh Nangia (AfDB) chaired a Davos style panel session with contributions by IsDB, IMF IEO, BSTDB and EBRD. Participants focused on the key features of their self-evaluation systems, moves taken by management to strengthen self-evaluation in their institutions and the role of the evaluation office, before interventions by other members.

IsDB’s self-evaluation system requires more enhancement and it is still too influenced by the approval culture. GOED want to the shift focus from approval and learn from colleagues on how they have been able to influence. Priority has been given to advocating for strong self-evaluation, but there a long way to go, in particular in terms of the logical framework and harmonization of ratings. GOED is still pushing for implementation and management is positive despite the many constraints because of the approval culture. PPP is working well because perceived as a risky area and management is therefore allocating resources. As such there is a stronger set up in terms of quality at entry, due diligence, follow up mechanisms etc.

IMF IEO conducts post completion evaluation of strategies and policies. Although self-evaluation isn’t part of the evaluation policy, it does come under different policy decisions. No self-evaluation is conducted of the Board and colleagues in IMF IEO invited other members to share their experiences. An evaluation of self-evaluation systems in IMF is going to the Board next month. Self-evaluation in IMF is different to other MDB’s because they all go to the Board which gives them traction. Some are more actively discussed than others. In IMF, ICRs are prepared by staff so there is more knowledge of the difficulties in doing the project.

In BSTDB, simplified completion reports were of low quality. After some time operations departments forgot objections and currently 40% of ratings are downgraded (out of 10 self-evaluations, 6 agree with their ratings). One of the indicators for the operational department is to close this gap with a goal to have at least 90% compliance. There was resistance and there is no agreement to have such key performance indicators. In terms of country strategies, there are no self-evaluation processes although the President recently wanted self-evaluation applied throughout. Where projects are not completed or cancelled, and to avoid missing them from self-evaluation, teams are required to make a lessons learned report at whatever stage the project reaches. These notes are useful to see what went wrong. BSTDB has a formalised process of introducing lessons learned in projects but more filed than learned. BSTDB’s pattern of disconnect is at about 40%, although when projects are completed there is some tendency for the disconnect to increase. Validations are done by desk review. If discrepancies are found, files are reviewed and interviews conducted, and in about 20% of cases a full fledged evaluation is conducted.

The EBRD Charter requires 100% self evaluation of completed projects. Self-evaluations are conducted by staff on the basis of the transition impact objectives established at the design stage of the project. EVD redesigned the self-evaluation template and moved it to a much more searching analysis. EVD does not sign off but will look closely at about 50% based on a random selection desk review (validation) where they supply their own ratings which allow them to comment on management analysis, establish a disconnect ratio, identify projects that need a fuller evaluation. All EVD valuations go to the Board and, despite initial resistance to the redesigned self-evaluation template, the value of the tool has been accepted. Management recognizes the importance of self-evaluations and the template and, as interest in self-evaluation has grown, they are getting more serious about quality control. However, there is still a long way to go to strengthen the process. There is no formal rating on the quality of self-evaluation in EBRD. In EBRD, self-evaluations are very low cost and a review of the materials can be extremely useful. Typically there are only two or three points that can be learned. Validation gives EVD a permanent feature in the way the teams plan their projects. Self-evaluations are much more preferred to the transaction teams, because they are light. These are also critical learning tools that means transaction teams will examine what has transpired. When it comes to reporting on the annual performance of the Bank, EVD use their own rating used although management uses their own. There are timeliness standards in term of turnaround times to ensure material is up to date which has been a problem in the past.

Colleagues in IMF IEO do not see a conflict of interest as there are no shared policies. However, it is a balancing act and BSTDB found they were often on the sidelines. EBRD found being credibly self-critical to help.

EIB created an ad hoc working group on governance. A task force with three experts was established and self-evaluations were conducted by consultants. The report was finalised in December and had a number of recommendations. There is the possibility of more in the future. IFAD is heading to a new harmonization agreement on self-evaluation. There is 100% validation of PCRs plus a project performance assessment. IEO IMF would like to concentrate on project completion review of the country strategies.

IEG has strong guidelines on the process of self-evaluation but there is little information on what happens after they are completed. It is hard to point to anyone using the self-evaluation, so they appear mostly driven by compliance and to avoid downgrading.

In concluding, the Session Chair highlighted the need for on going experience sharing on this topic and highlighted that an area for further consideration would be the balance between self and independent evaluation.

**Session 6 – Evaluating Corporate Performance**

In this session, chaired by Oscar Garcia (IFAD), discussants were asked to present the success factors leading to effective corporate level evaluations and highlight challenges of conducting these types of evaluations in their institutions.

Corporate evaluations were introduced in BSTDB in 2006 as a way to update the evaluation policy and other frameworks within the organizational framework. It took several steps to implement and timing was important because new management was committed to strengthening corporate culture. Several policy amendments established the ground for these types of evaluation which ensured a level of commitment by management to the findings. Evaluation was critical and several phases of discussions focused on two recommendations – immediate action and addressing future organizational improvements.

Key factors of success of the evaluation were timing and development of a framework. In line with the business plan cycle, there will be one corporate evaluation every four years focusing on a specific performance related to priority of the business plan. Since 2006, three corporate evaluations have been conducted, and reflected in the business planning and mid-term strategy cycles. Challenges included management’s resistance to corporate evaluation highlighting the need to have their agreement; underestimated logistics and costs for seminars, trainings and workshops; and barriers to communications due to resistance to discuss issues outlined in the report which meant it had to focus on a lower number of priorities than originally envisioned. To deal with challenges, a good implementation plan was necessary and issues not immediately addressed were revisited at a later stage.

Corporate evaluations are now embedded in the functioning of the balance scorecard and the evaluation department is in charge of assessing key performance indicators (KPI) at the institutional level every two years. The first assessment of KPI was in 2015 and was reported to the Board of Governors. Despite departmental resistance, many are working to improve the KPI. Many of these indicators and measurement matrixes need to be updated over the next couple of years, as currently in a rather simplified form to show they can work.

Finally, the need for peer contribution and collaboration in the process was highlighted. Without which it would have been harder to institutionalise the process of corporate evaluation and demonstrating the possibility to do such evaluations within budget constraints.

Jiro Tominaga (ADB) shared his personal experiences and observations on corporate evaluations and began by saying that they can be very influential and impactful. For example, they changed the way WBG think about how to do business indicators and an evaluation on inclusive growth in AsDB is shaping how management is thinking about the issue. At same time they can be high risk and high cost as it is a management issue looking at the functioning and structure of the organisation potentially resulting in very strong reactions, at a very high level. Early engagement with management and support from the Board are very important .

He noted how the skills for this type of evaluation are also very different and the need for evaluators to put the corporate policies into the bigger context of bigger development community discussions. Not only should the overall process be respected within the organizations but there is also a need for a diverse team who can bring a deep knowledge of the institution and an external perspective.

Both timeliness and selection of the topic are important What are the core issues that corporate want to look at?

In May 2013, the IsDB Board of Governors increased the authorized capital from SDR30 billion to SDR100 billion and the subscribed capital from SDR18 billion to SDR50 billion. The Chairman of the IsDB Group subsequently decided to conduct an independent assessment of performance. GOED were part of the technical counter part team and the study was divided into 2 phases - a retrospective assessment of the 40 years and the formulation of the next 10 Year Strategy and high level implications and a detailed 10 Year Strategy covering business, operation and organizational solutions.

The 40 year assessment posed a number of questions on progress, contributions, operations efficiency, and self efficiency (internal looking). The consultant prepared an assessment methodology to look at functional best practices and look at other MDBs. The report used both Boston Consulting Group methodology and IDBG input. Stakeholder engagement consultations were extensive but the most important findings came from four regional workshops which brough together more than 400 participants from government, project consultants, and project managers on the ground. Timeliness was key to the process and, despite the tight deadlines, the presentation was given to the Board of Governors on time.

GOED looked at short terms and long term recommendations provided by BCG in the 300 page comprehensive assessment report. There weren’t any strategic implications but a 10 year strategy framework was developed which was taken on by management.

Positive outcomes included a first full scale independent corporate performance assessment which was well received. The success factor being strong ownership by the Board which enabled the result of evaluation to be taken seriously by management and the implementation of recommendations. Challenges included meeting deadlines, the consultants’ limited familiarity with development evaluation and a rushed strategy formulation. In terms of lessons learned, management consultants are equipped to perform corporate performance assessment but they should rather be performed by specialised consultants.

During the open discussions, discussants agreed on the need for an approach paper to highlight the intentions of the evaluation and to get input from management. They advised that it be carefully planned and allow for some flexibility should things change. In BSTDB’s case, a consulting company developed the approach paper and this was discussed with the Board and management before starting the evaluation. It was agreed that an internal approach in the methodology be applied to avoid surprises. An assessment of the use of the consultants was quite negative (both a waste of time and money).

Opinions varied as to how often corporate evaluations should be conducted. AsDB believed they should be done annually to seize the opportunity of a captive audience, whereas BSTDB found one every four years was sufficient as it meets the needs of strategic planning.

Oscar Garcia concluded by saying corporate evaluations are a precious opportunity to discuss with Board members. Drawing on the discussions he highlighted how members recognised the need to work on the methodology and conceptual diligently and engage as needed, as well as the importance of timing and for costs to be manageable. Although, high risks can be managed it is not possible to say up front if an evaluation is going to be influential but the robustness will help determine influence.

**Session 7 - Recommendations and feedback loop**

In his introductory remarks, Joe Eichenberger (EBRD and Session Chair) highlighted how the level of interest in this topic indicates its importance to members. Session discussants (AsDB, BSTDB, EIB, IADB and IFAD) shared their perspectives and experiences in producing credible and actionable recommendations, as well as the challenges in forming these recommendations, getting buy in from the Board and tracking implementation.

In AsDB, IED recommendations are discussed with some stakeholders. Reports are published online and sent to CODE at the same time. About 90% of recommendations used to be accepted and monitored with an automatic system to which management has access. Once included in the system, management has 60 days to develop an action plan which is validated every year by IED and is included in the ARE. From 2015, IED published actions online, giving management a further incentive to take action. In terms of challenges, the difficulty has been in aligning actions in the system with the recommendations. As such, managers have an option to consult with IED on the recommendations within 60 days. Further due to personnel changes in management, the acceptance rate dropped to 70%, implying the actions taken were quite weak and management only taking action when new projects were being done. IED are now trying to be more explicit with their recommendations. Lastly, when some recommendations were rejected, in the IED system they go into a non-monitored “box” which was growing. Since 2015, a “partially accepted” recommendation has been available.

In BSTDB, recommendations are included in all evaluation reports that are issued. The challenge has been to find a balance between more prescriptive or more general recommendations. In cases where general directions were given, management criticised they were not specific enough, or they came to specific actions which were not meant in the spirit of the recommendations. Recommendations are discussed with the Board and a committee decision is drafted. If they are not agreed upon, they are included in the KPI to reinforce their importance*.* There is no formal follow up process but in the annual evaluation overview, the recommendations are reviewed and reported as “outstanding”.

The EIB recommendations and follow up system has evolved over the last three years. Implementation rates are reported to the Board through the annual report and in 2012, management were asked to take responsibility of signing off on recommendations. EV has been working to establish a system to follow up on recommendations which sees the evaluation office report twice a year. There is a system of consultation within the Bank at different levels and within EV there are a number of quality controls. Although discussed with services when there are official responses, EV are often surprised by the direction of the responses. In each case, they are looking at how much it’s a problem within EV or the relationship with the Bank. Ownership is also a problem as evaluators are taking the responsibility for implementation of the recommendations. EV also needs to look at the issue of timeliness.

In IADB management must approve recommendations before they can be tracked. The Board therefore very carefully reads the evaluations which has positively affected the relationship with OVE. However, complications arise when the Board has to take sides because management do not agree with some of the recommendations. OVE are currently reviewing the recommendation and tracking system to reflect on complaints that nuances are not captured in the tracking system and that action plans are not necessarily relevant to the recommendations. OVE does not feel the follow up system has much influence or makes much of a difference and are asking themselves how specific should recommendations be – enough to have disagreements – to see changes?

The core purposes of IFAD’s IOE recommendations and follow up work are to: produce credible and actionable evidence-based recommendations; gain Board endorsement and adoption by Management; and track their implementation ex post. To accomplish these objectives, the President ensures that feasible evaluation recommendations are adopted at the operational, strategic and policy levels (as appropriate). These are then recorded in the President’s Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), the main instrument for IFAD’s management response system, and tracked by both management and the Executive Board. IOE provides and shares their written comments through PRISMA with the Evaluation Committee and Executive Board. IOE also provides comments to the President for the improvement of self-evaluation systems and products. The Evaluation Committee reports to the Executive Board on specific evaluation issues, and the latter provides feedback to IFAD Management.

Despite discussions with management on the quality of PRISMA, it is a well established and consulted tool. It is therefore considered good practice and seen to strengthen accountability. Although improvements in the compliance and acceptance of recommendations have been seen, there are still some percentages which are of concern, with management acknowledging that a high number of recommendations are not implemented. Some identified areas for improvement include: putting more emphasis on the learning dimension; optimising timing; adding a new section on recurrent issues; fewer and clearer recommendations from management; and more attention to be paid to historic recommendations (those not acted on in the past). IOE recently refused management’s request to be aware of the costs of implementation of recommendations, with a request for zero cost recommendations, as cost should not be a constraint. IOE also doesn’t agree that good performing programmes should have fewer recommendations.

IEG has found management action records have a significant influence in a larger change process because when new management comes in, they reflect on past years evaluations. Over the last year, IEG has observed a certain element of hostility in discussions with management over some recommendations. A workshop format has been designed and is being piloted, which takes the those being evaluated off site. An external facilitator is brought in and a significant amount of quality time is spent going through the report. The focus is therefore on listening to them which means recommendations are better understood and more informed. IEG are expecting a faster action plan with a higher response rate. Good feedback that through this approach, more people read the report. Second pilot will be done slightly differently in that the workshops will be held before draft recommendations are distributed.

During the open discussions, other participants their observations and findings. UN Women focuses on use of the recommendations rather than the compliance rate. Furthermore, in addition to reporting to the Board, a review is conducted every two years of how the recommendations have been implemented, which is an incentive for management to make changes. To increase ownership by management, options for recommendations were developed which were then discussed in terms of relevancy. However, management found it too complex and time consuming, and preferred to be told what the recommendations were.

IMF IEO also has problems with management taking action, even though, when an evaluation is endorsed by the Board, it becomes Fund policy. IEO implemented two innovative approaches whereby every 5-10 years post evaluation, three months is spent conducting a desk review and outstanding issues are highlighted. The final report is not sent to the Board for voting. Management claims to like this approach. Second, an evaluation of recurring issues found the only recommendations was that management should look at recurring issues. The report was appreciated by the Board but not by management.

AfDB learned lessons on the recommendations systems from other members which they used to develop their own system. However, uploading three years of recommendations in to the system meant there were some teething problems. To address this problem, the office are going through a priority action identification process.

Discussants were asked if they assess the effect of the recommendations. ADB confirmed they do for country evaluations to see if they are implemented. BSTDB conducts follow up studies. However, in cases when recommendations were not followed up, management responded by saying it was not a good recommendation to begin with.

Other questions which came to light during the discussions included: why do evaluators have more difficulties than auditors? Do evaluators not frame recommendations correctly? Despite differences in structure and recommendations, why do all ECG members have the same issues?

In his concluding remarks, the Session Chair indicated that the topic had triggered some useful insights and revealed a great deal the challenges members face. Members pointed to areas where things are going right with some progress, but highlighted many holes and disconnects in the systems. Further questions that arose include: can evaluation offices do rigorous analysis; use best judgement; and find recommendations but without action or impact? What can be the effectiveness of evaluators in accomplishing desirable change in their organisations? Are there opportunities that evaluators are missing? What are the obligations of the Board and how should they be engaged more effectively?

**Action points/ Follow up**

* Issue to be revisited at the next ECG meeting and opportunity for more sharing.
* EIB to share more details on their recommendations and follow up system by email.
* IEG to share more on workshop design.

**Annex 2 - Final list of participants**

|  |  |  |
| --- | --- | --- |
| **Institution** | **Name** | **Title** |
| African Development Bank | Rakesh Nangia | Evaluator General, Vice President |
| Asian Development Bank | Vinod Thomas | Director General, IED |
| Mala Hettige | Senior Advisor, IED |
| Jiro Tominaga | Principal Evaluation Specialist, IED |
| Black Sea Trade and Development Bank | Todor Dimitrov | Head, Evaluation |
| European Bank for Reconstruction and Development | Joe Eichenberger | Chief Evaluator |
| Keith Leonard | Deputy Chief Evaluator (by phone) |
| European Investment Bank | Jan Willem van der Kaaij | Inspector General, EV |
| Ivory Yong-Prötzel, | Head of Operations Evaluation Division, EV |
| Kristin Lang | Evaluation Expert and Team Leader, EV |
| Global Environment Facility | Geeta Batra | Chief Evaluation Officer & Deputy Director, IEO |
| Inter American Development Bank | Cheryl Gray | Director, OVE |
| Ana Maria Linares | Economics Senior Advisor, OVE |
| Roland Michelitsch | Economics Principal Specialist, OVE |
| Independent Evaluation Group, World Bank | Caroline Heider | Director General, Senior VP |
| Marvin Taylor-Dormond | Director, Private Sector Evaluation |
| Sidney Edelmann | Head, IEGPE |
| Monika Weber-Fahr | Chief Knowledge Officer & Senior Manager |
| Stoyan Tenev | Manager, IEGPE |
| Marie Gaarder | Manager, IEGPS |
| Beata Lenard | Head, IEGPE |
| Mark Sundberg | Manager, IEG PS |
| Rasmus Heltberg | Lead Evaluation Officer, IEG CC |
| Hiroyuki Hatashima | Senior Evaluation Officer, CEXEG |
| Midori Makino | Lead Evaluation Officer, IEG PS |
| Andrew Stone | Head, IEGPE |
| Stefan Apfalter | Senior Evaluation Officer, MIGIE |
| Independent Evaluation Office, International Monetary Fund | Rubén Lamdany | Deputy Director, IEO |
| Alisa Abrams | Senior Research Officer, IEO |
| Chris Monasterski | Senior Research Officer, IEO |
| International Fund for Agricultural Development | Oscar Garcia | Director, IOE |
| Catrina Perch | Evaluation Officer, IOE |
| Islamic Development Bank | Mohameden Sidiya | Director, GOE |
| Syed Husain Quadri | Senior Evaluation Specialist, GOE |
| United Nations Evaluation Group | Marco Segone | Chair |
| World Bank | Amparo Bolivian | Lead Economist, World Bank Data Group |
| Vine Management | Simon Lawry-White | Consultant |
| The Clearing | Larry Danner | Consultant |
| ECG  | Michelle Weston | ECG Secretariat |