ECG Practice Note

Self-evaluation in ECG member institutions

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This practice note was prepared by a Working Group led by colleagues in EBRD. Work was initiated at the ECG Fall 2015 meeting and this practice note was approved for publication by ECG members at the ECG Fall 2018 meeting.

What are ECG practice notes?

The Evaluation Cooperation Group (ECG) comprises the independent evaluation departments of multiple multilateral finance organisations. . (www.ecgnet.org).

ECG seeks to strengthen evaluation practice and effectiveness across its member institutions through good practice standards, harmonised approaches and sharing of experience.

Practice notes provide members with guidance (rather than formal methodological standards) on topics of shared interest and operational relevance.

Self-evaluation by responsible Management/ operational teams is an important feature of the evaluation systems of most institutions represented in the Evaluation Cooperation Group (ECG). There is a strong consensus among ECG members that it is a central element of Management's specific responsibilities for well-functioning evaluation systems institution-wide. Independent evaluation departments (IEDs) have a vital role in helping Boards and management ensure that self-evaluation is credible, value-adding and used effectively especially when self-evaluation may not be explicitly linked to the project cycle. IEDs also have a core responsibility to make effective use of self-evaluation.

Purpose of this Practice Note

This practice note sets out features of self-evaluation – both general and specific -- that are broadly regarded by ECG members as characteristic of systems/methods likely to contribute effectively to wider institutional performance. It does not represent a comprehensive treatment of the issues or attempt to set out agreed "good practice "particularly since self-evaluation is a Management responsibility. It is intended rather to provide ECG members and others with observations and guidance that they may find useful to their own engagement with self-evaluation systems in their institutions.

General Principles

Self-evaluation is essentially a management responsibility under Board oversight. It may be conducted on the full range of institutional operations, activities, structures, processes, policies and strategies, and employ a variety of different internal methods and systems. Furthermore, self-evaluation is not seen as a static ex-post assessment but as part of the institution's larger overall architecture and should be planned, designed and implemented in the context of that architecture and its other features – ex ante assessments, results frameworks, monitoring, results management, etc.

ECG's independent evaluation members have a clear interest in and contribution to make to the design and effectiveness of self-evaluation systems and processes. For this reason and in view of their particular expertise in this area there is a presumption that they should provide, and Management should accept, advice, guidance and/or methods for the conduct of self-evaluations of high professional standard.

Self-evaluation should seek to assess all factors contributing to performance. This encompasses all stated or implied objectives of the subject operation or issue as well as the possible effects of unintended or unanticipated developments. It should ensure effective inclusion of the professional judgments exercised during the course of operation design and execution, which can be some of the most valuable sources of insight and learning.

If self-evaluation is to be useful it must be an integral element of and used by wider "results" systems. For this self-evaluations should meet clear standards for quality, relevance and timeliness; management-level ownership and responsibilities for systems and processes should be clear and well-integrated; work should be visible and widely accessible.

A dedicated Management unit with assigned responsibility for self-evaluations at an institutional level reinforces system effectiveness and integrity; it can provide quality assurance and be a focal point for technical assistance, information dissemination and knowledge management.

Management should ensure that self-evaluation systems have high internal circulation, visibility and accessibility across operational/ management units for wider learning and awareness. Internal confidentiality limitations often represent an impediment unjustified by actual risks and should be minimised.

Responsibility for self-evaluations is for Management to determine. They may be done by directly responsible operational team(s), operational team members not directly involved (such as new staff), or consultants. However different approaches have different strengths and weaknesses, such as around the depth of insight and degree of internal learning. Both Management and IED should be alert to these considerations.

Management determines the operational coverage of self-evaluation in accordance with the organisation's evaluation policy or practice and with input from the IED (under Board oversight) based on the objectives and standards it wishes to meet. Coverage has great implications for the overall effectiveness of the evaluation system, not least in establishing the scope of baseline material flowing to the IED.

Self-evaluation may embody accountability or learning, or strive for a combination of the two. Preferred practice in independent evaluations is to place about equal weight on both purposes, with flexibility to reflect specific cases.

The major components of self-evaluation systems (scope, methods, timing, data content, outputs, and definitions) should follow from and reflect those used by IEDs.

Recommended Features

Self-evaluation methods should largely reflect ECG good practice standards for public and private sector evaluations and incorporate an articulated theory of change even if none had been explicitly presented for the matter being self-evaluated.

Starting points/baseline circumstances targeted in the operation should be effectively captured in the self-evaluation, along with all relevant targets and benchmarks – initial and modified. The adequacy of collected/available data should be considered explicitly.

A review process (self-evaluation without formal validation): Self-evaluations can simply be reviewed by the IED for completeness, compliance with agreed methodology and templates, presence of evidence, etc. Additional independent analytical work is not required to be part of such a review nor would IED verification of the conclusions of the self-evaluation be offered.

Review thus aims mainly to improve the quality of self-evaluations and their utility for learning. It may occur either before or after finalisation of the self-evaluation. If done before care must be taken to assure no perceived conflict of interest in the event of a subsequent full evaluation; it should be confirmed that the IED comments are purely advisory.

Validation: A higher level of IED assessment of self-evaluations would be some form of validation. A validation is generally a desk-based assessment looking in particular at the sufficiency of evidence and analysis, capture of relevant determinants of performance, and consistency with larger strategic considerations - and offering an independent IED analysis. Validations specifically assess any findings and conclusions in the self-evaluation; where self-ratings are given validations will ordinarily provide comparable IED ratings.

Training: IEDs may provide focussed training to operations staff to improve self-evaluation; this can include upgrading skills in results-based management, theory of change, and design and monitoring frameworks.

Self-evaluation systems should be subject to periodic assessment. In order to ensure continued optimal performance, self-evaluation systems should be evaluated periodically.

Overcoming challenges

Experience confirms that self-evaluation work rarely has a prominent institutional profile, reflecting resource allocations, leadership priorities, and internal incentives. Internal recognition is often minimal and partly as a result uptake of lessons and insights falls short of what could/should be. IEDs can catalyse positive change in several ways: recognising good quality self-evaluations; tracking and reporting regularly upon aggregate quality; and, identifying clear resourcing problems where these are evident.

Ratings systems must be rigorous and consistent but their application flexible. The use of formal performance ratings in self-evaluation, given the long-standing challenges, is context-sensitive. Ratings can provide a

valuable hierarchy of priorities and give clear structure to an evaluation. Rating systems should reflect ECG Good Practice Standards and provide a consistent methodology based on a theory of change, a plausible and definable basis for ratings, and the capacity to capture innovation and exogenous factors. Nonetheless, where the intended purpose of self-evaluation is primarily internal learning, use of rating systems may have less value, or even have a negative effect particularly when evaluating performance in a dynamic and uncertain context, self-evaluation systems may elect not to apply ratings in some instances and should be sufficiently flexible to accommodate Management and evaluator judgement.

Policies, strategies, initiatives, projects not related to investments, and the like translate institutional priorities into operational activities and provide critical frameworks within which shareholders expect to assess performance. These are reviewed and updated as needed, and often on a regular cycle. It is good practice for such reviews/updates to draw from a thorough self-evaluation of performance. It is also highly desirable for an independent evaluation also to be completed upstream so as to inform Management and Board consideration of updates and revisions. If no such evaluation is planned by the IED, some form of review/validation of Management's self-evaluation should be completed. This improves the credibility of the self-evaluations, which are generally of great interest to boards.