Evaluation Cooperation Group
- Working Document -

Review Framework for the Evaluation Function in Multilateral Development Banks

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updated
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APPENDIX 1

QUESTIONNAIRE: WORKING TOOL FOR A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND ASSESSMENT OF THE EVALUATION FUNCTION IN PARTICIPATING ECG MEMBERS
1. INTRODUCTION

1. This report was prepared by the Evaluation Cooperation Group (ECG). The ECG was established by the heads of the evaluation departments of the Multilateral Development Banks (MDBs) in response to a call in 1996 of a Development Committee Task Force for harmonization of evaluation methodologies, performance indicators, and criteria. The ECG’s mandate focuses on harmonization of evaluation principles, standards and practices and facilitating the involvement of borrowing member countries in evaluation. ECG also addresses issues related to accountability, learning from past experience, sharing these lessons and strengthening their use.

2. This report outlines a Review Framework for the evaluation function in MDBs -- the World Bank Group (WBG), Inter-American Development Bank (IADB), African Development Bank (AfDB), Asian Development Bank (ADB), and the European Bank for Reconstruction and Development (EBRD) -- and the European Investment Bank (EIB). It outlines the main features of a concept for carrying out reviews of evaluation departments and more generally evaluation systems. The proposals in this report draw on the experience gained of Peer Review Systems developed by the OECD/DAC Evaluation Network. The initial Reviews will be treated as pilots so that ECG members can learn during implementation of the Review Framework. As experience is gained, the ECG’s approach toward reviews of the evaluation function will be modified to reflect the lessons learned in the application of the approach outlined in this paper.

3. The ultimate objective of the establishment of the Review Framework is to distil and help implementing best practice to improve the evaluation functions and harmonize evaluation approaches. However, it will take time to achieve this objective. Initial expectations are modest as the Review Framework will be developed and refined on a step by step basis as experience is gained. The focus of the Reviews will be on mutual learning and disseminating best practices among the participating institutions.

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1 The Evaluation Cooperation Group (ECG) includes the heads of the evaluation offices of the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB) and the Independent Evaluation Group at the World Bank Group called the founding members. The European Investment Bank (EIB) and the International Monetary Fund (IMF) joined the ECG in 1998 as core members. The founding members and core members together are called in this report “ECG members”. ECG members who are participating in the MDB Peer Review system are called “participating ECG members”. Representatives of the Evaluation Network of the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) and the United Nations Evaluation Group attend as observers.

2 The World Bank Group comprises the World Bank, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

3 The IADB includes the Inter-American Investment Corporation (IIC).

4 Because the evaluation products of the International Monetary Fund (IMF) differ from those of the MDBs and, thus, do not follow the ECG good practice standards, the approach to peer review described in this paper would not apply to IMF.
2. THE CONCEPT OF PEER REVIEW AS AN EXAMPLE FOR A REVIEW FRAMEWORK OF THE EVALUATION FUNCTION

4. Peer Review, which is an important process to be taken into account by the ECG when establishing and implementing a Review Framework for the evaluation function, can be described as the systematic examination and assessment of the performance of one institution by another institution that has, in principle, a similar mandate and set of basic principles, policies and way of working. The goal is to help the reviewed institution improve its policy making, adopt best practices, and comply with established standards and principles. The examination is conducted on a non-adversarial basis. It relies heavily on mutual trust among the institutions involved in the review and their shared confidence in the Framework. These Reviews are designed to create, through this reciprocal evaluation process, a system of mutual accountability and an independent external review mechanism that can serve Boards of Directors and Shareholders of the ECG members.

5. Since all MDBs have independent evaluation offices, a Review of the evaluation function in a given institution could theoretically be carried out by heads of evaluation from other institutions. It is important that the Review Panel to be established, benefits from the experience of the Evaluation Heads of the participating ECG members. The credibility of such a Review would, however, be enhanced by including a majority of external peers from the development evaluation community. These Reviews should therefore be conducted by a Review Panel composed of heads of evaluation units from the participating ECG members and of respected independent evaluators from the international evaluation community.

6. The Review of an evaluation function in a participating ECG member would, in principle, involve all the evaluation activities in the context of the institution in which it operates. The Review would have at its core a review of the content and application of the existing Board-approved evaluation policy in the institution.

7. The Review will assess the quality of the evaluation products (e.g., public and private sector operations, country strategies, corporate, sector and thematic policies, policy based lending, capacity development, technical assistance, etc.) and the uptake of lessons learned and evaluation recommendations by the institution’s Management. Since part of the evaluation activities are carried out by Management through internal self-evaluation, it is important to determine at the outset of such a Review whether these activities are to be covered in addition to the review of the work of the independent evaluation department. This type of broader review would require active support from Management. The Review will assess the degree to which the good practice standards developed by the ECG are used in areas such as evaluating private and public sector projects and policy based lending. The ECG has also prepared good practices standards (GPSs) for country strategy and programme evaluation and works on new GPSs on the evaluation of technical cooperation/assistance. The Reviews should be carried out on a regular basis, with each review exercise resulting in a report that assesses accomplishments, identifies areas for improvement and makes recommendations for improvement.

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5 ECG uses two major instruments to promote harmonization among MDBs: (i) developing good practice standards (GPS); and (ii) using the GPS to assess and compare ECG members in benchmarking studies.
While senior Management could derive value from a review of both self and independent evaluation, the Review Framework for the evaluation function will be particularly beneficial for the Board of Directors or the Board Committee that oversees evaluation activities. Depending on the structure of the evaluation system in the institution under review, the respective Board or Board Committee will be the main client for the Review and recipient of the final report on the Review as they judge the performance of the evaluation functions on a regular basis and ensure that the quality of evaluation products is of adequate standard. Getting confirmation from a Review exercise that the quality of the evaluation products is good and that the applied methodology is consistent with good practice should help to fulfil their accountability functions within the institution. Confirmation on the utility of independent evaluation, however, would also require that the Reviews examine the reactions of Management to evaluation work and the uptake of evaluation recommendations.

3. **A RELATED CONCEPT: PEER PRESSURE**

The effectiveness of a Review Framework for the evaluation function relies, in part, on the influence and persuasion exercised by the peers during implementation of the Framework. This effect is known as “peer pressure”. Peer pressure is a means of soft persuasion that can stimulate the ECG member to make change, if warranted, to better achieve goals and meet generally accepted standards. Examples of ways that the Review Framework can give rise to peer pressure include: (i) a mix of formal recommendations and informal dialogue by the Review Panel with the institution’s Board of Directors or designated committee; (ii) public scrutiny; and (iii) the impact of all the above on opinion within, and outside, the institution. The impact will be greatest when the outcome of the Review is made available to the public, as is usually the case at the OECD.

Peer pressure is particularly effective when it is possible to provide both qualitative and quantitative assessments of performance. The ECG benchmarking exercises of private sector evaluation, for instance, quantifies how far each participating institution has progressed with the implementation of ECG’s good practice standards in that area.

4. **PEER REVIEW IN OECD AND OTHER INTERNATIONAL ORGANISATIONS**

Among international organisations, OECD has made the most extensive use of Peer Reviews. Peer Review has, over the years, characterised the work of OECD in most of its policy areas. While OECD carries out Peer Review in several substantive areas, there is no standardised Peer Review mechanism. However, all Peer Reviews contain the following structural elements, which are described further below: (a) a basis for proceeding; (b) an agreed set of principles, standards and criteria against which performance is to be reviewed; (c) designated actors to carry out the Peer Review; and (d) a set of procedures leading to the final result of the Peer Review. The

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6 For instance, designated Board Committees handling evaluation issues in some institutions are called: Committee of Development Effectiveness (CODE) in the World Bank; the Development Effectiveness Committee (DEC) in the ADB; and the Audit Committee (AC) in the EBRD.

7 Officials involved in Peer Review can be from any level of government -- central, regional or local.
Framework for Peer Review for the evaluation function will follow, in principle, the same approach described in Section 5 below.

12. The OECD DAC evaluation network’s guidelines for the peer review of multilateral organizations have been applied in the UN system rather than in the MDBs. The core evaluation question for such peer reviews is:

‘Are the agency’s evaluation function and its products independent, credible, and useful for learning and accountability purposes, as tested against accepted international standards by a panel of evaluation peers?’

13. The OECD DAC Framework for Assessment identifies three broad areas to be covered:

1. “The independence of evaluations and evaluation systems” – Noting that this attribute is never absolute, and needs careful analysis in different contexts.
2. “The credibility of evaluations” – This includes assessment of whether and how the organization’s approach to evaluation fosters partnership and helps build ownership and capacity in developing countries.
3. “The utility of evaluations” – Recognizing that this is only partly under the control of evaluators, and is also critically a function of the interest of managers, and member countries through their participation on governing bodies, in commissioning, receiving and using evaluations.”

14. Several other intergovernmental organisations and international programmes also make use of Peer Reviews. Within UN bodies and specialised agencies, Peer Reviews are used to monitor and assess national policies in various sectors, from environment to investment. The IMF Country Surveillance mechanism also has some aspects in common with Peer Review. The Peer Review mechanism has also been developed within the World Trade Organisation under the Trade Policy Review Mechanism to monitor trade policies and practices in the member states. In the European Union framework, Peer Review is used in several areas (e.g., the Directorate General of Employment and Social Affairs of the European Commission has developed Peer Review for national labour market policies to identify good practices and assess their transferability).

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9 See, for example, the Environmental Performance Reviews Program carried out by the UN Economic Commission for Europe, initiated as a joint undertaking with the OECD Environment Directorate. Several activities within UNEP follow Peer Review mechanisms.

10 Within UNCTAD, there are programmes which submit the investment policies of developing countries to Peer Review.

5. A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION IN MDBs

5.1 The Basis for a Review Framework

15. Review in respect of evaluation functions can proceed on the following basis:

1. A decision by the Board of Directors of the MDB or the designated Board Committee that a Review of the evaluation function should be carried out. A Review is only undertaken if requested by the concerned Board of Directors or the Board Committee. The frequency of the Review of the evaluation function can be in principle once in five years. The Review can coincide with the appointment of a new Head of the evaluation department or at the time when an evaluation policy review is due. For the Review to be credible there must be a general consensus on the content and the timing of the Review (see Section 5.4).

2. The financing for Review of the evaluation function will be provided by the concerned institution. The budget for the Review must be secured well in advance of the organisation of the Review. The cost of the Review will depend on the size of the institution, the scope and depth of the review, the size of the Review Panel and the person months required from the consultants.

3. The members of the ECG should confirm the request to carry out a Review. Communication respectively will take place with the Chair of the ECG. (see footnote 12).

16. The Chair of the ECG, assisted by the ECG Secretariat, monitors the development of each Review exercise through regular contacts with the Chair of the designated Board Committee in the concerned MDB and with the Chair of the Review Panel.

5.2 The Principles, Criteria and Standards

17. The performance of the evaluation function can be assessed against a number of principles, criteria and standards:

1. Policy recommendations and guidelines in the MDB’s Evaluation Policy: The assessment of the performance of an evaluation function in its implementation of policy recommendations and guidelines is the most common form of Review. The Review can also examine the consistency and coherence with respect to the MDB’s own policies and mandate. As an example, the OECD DAC Peer Reviews take into account principles agreed in development co-operation, such as guidelines (e.g., poverty reduction, conflict prevention) or emerging themes (e.g., policy coherence, harmonisation of donor procedures).

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12 As in the EIB neither a resident Board, nor a designated Board Committee for evaluation exists, a request for carrying out a Review under ECG’s Review Framework for the Evaluation Function in MDBs would have to be addressed to the ECG in a different manner. Similarly, other mechanisms would have to be developed for EIB for all other activities that are later described in this paper that involve a Board or sub-committee of a Board.
2. **Specific indicators and benchmarks:** Indicators and benchmarks that provide specific and often numerical targets to achieve are more susceptible than policy guidelines to being assessed according to quantitative measures. Indicators and benchmarks as described in ECG good practice standards are used during the benchmarking studies of public and private sector operations. Other evaluation activities, such as evaluation of policy based lending operations use another set of established good practice standards. Indicators and benchmarks refer to key mandate objectives such as development, poverty alleviation, transition impact, additionality of the institution, environmental performance, etc.\(^{13}\)

3. **Other binding principles:** A Review Framework for the evaluation function can also be a mechanism to monitor compliance with international norms and agreements. An example is the contribution towards the fulfilment of the Millennium Development Goals through the execution of the activities agreed under the Paris Declaration.\(^{14}\)

18. When the implementation of a Review Framework for the evaluation function reach the stage of a second Review, it is quite common to refer to the conclusions and recommendations in the previous Review. The recommendations and the outstanding issues noted in the earlier report become important parts of the measures against which to assess the progress and to highlight trends and fluctuations. This Framework allows also the creation of a shared knowledge base benefitting all institutions via the identification of best practices, policies that work and relevant lessons learned.

### 5.3 The Actors

19. Review of the evaluation function involves several actors: the ECG; the evaluation system of the institution where the review is undertaken; the Board of Directors or designated Board Committee of the institution in which the evaluation function is under review (see footnotes 6 and 12); the Peer Review Panel that guides and supervises the Peer Review and the consultants who undertake detailed work. The role of the various actors is as follows:

1. **The ECG as the collective body:** Reviews are undertaken in the framework of the activities of a Working Party or an expert group such as the ECG. The frequency of the Reviews depends on each evaluation function’s programme of work and should take into account the context in which the members of the ECG operate.

2. **The reviewed evaluation system:** In all members of the ECG, the evaluation department is independent of management and reports to the Board of Directors through a Board

\(^{13}\) For development assistance, see the Millennium Development Goals (www.oecd.org/pdf/M00017000/M00017310.pdf).

\(^{14}\) In the future Peer Reviews in the context of the OECD will provide additional feedback on the ways in which DAC members implement the Paris Declaration of 2 March 2005. This Declaration signed by ministers from developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions, who resolved to take far-reaching and monitorable actions to reform the way aid is delivered and managed, as they look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs).
Committee. These evaluation systems are in principle subject to a Review. The Board of Directors and/or the designated Board Committee should have an interest in a Review of the evaluation function as a means of stimulating reform in the policies and practices of its independent evaluation department and the self-evaluation system maintained by Management. Participation in a Review implies a duty to co-operate with the Review Panel, consultants and the ECG by, among other things, making documents and data available, responding to questions and requests for self-assessment, facilitating contacts and hosting on-site visits. The individuals responsible for participating on behalf of the institution under review include evaluation staff, different levels of management and staff and the Board Committee. The institution whose evaluation function is under review provides the financing for the Review.

3. The Review Panel and supporting consultants: Review of the evaluation function implies by definition that the heads of Evaluation Departments of ECG members (ECG Peers) or independent evaluation experts (Independent Peers) are involved in the Review Framework. A combination of such peers will be appointed to the Review Panel. Generally, the choice of members of the Review Panel is based on a system of rotation among the heads of evaluation of the participating ECG members and a roster of independent evaluation experts (as Independent Peers). The Board of Directors, or the designated Committee, of the institution in which the evaluation function is under review will agree to the appointment of the Independent Peers to the Panel and with the nomination by ECG of the ECG Peers as Panel member(s). The role of the Review Panel will be to: (i) carry out the Review within the institution (field visits to view operations client countries are not anticipated); (ii) inform the Chair of the ECG during the stages of the Review Framework; and (iii) provide feedback to the Board of Directors/Board Committee and Senior Management of the institution under review. As required, the Review Panel will be supported by consultants to undertake detailed work. Tasks undertaken during the Review include an examination of the relevant documentation, participation in discussions with Board members, Management and various levels of staff in the institution under review, both evaluation staff and operational staff. The Review Panel and consultants must be objective, fair, and free from any influence of national or business interest that would undermine the credibility of the Review Framework for the evaluation function.

4. Organisational structure of the Review: The Chair of the designated Board Committee of the institution undergoing a Review of the evaluation function agrees to the appointment of the Independent Peers and the nomination by the ECG of the ECG-designated Panel member(s), i.e. the ECG Peers. During the execution of the Review Framework the Chair of the Board Committee provides guidance to the Review Panel. He/she is assisted by a senior evaluator from the evaluation department of the institution under review, who reports for the purposes of the Review exercise to the

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15 However, in the EIB the Head of Evaluation reports to the Inspector General who reports to the President of the institution.

16 The Review Panel can have three to seven members, depending on the size, depth and complexity of the Review exercise.

17 See footnotes 6 and 12.
Chair of the Board Committee on issues related to the Review. This senior evaluator supports the Chair of the Board Committee, the Review Panel (in particular the Chair of the Panel) and the consultants during the execution of the Review Framework by undertaking the administrative steps related to contracting, providing documentation and analysis, organising meetings, stimulating discussion and maintaining continuity as the keeper of the historical memory of the Review Framework. The Chair of the Board Committee and the Chair of the Review Panel form a Review Steering Group to sort out ad hoc problems and issues during the Review.

5.4 The Procedures

20. The head of the evaluation department in the institution in which the Review takes place, in close cooperation with the Chair of the Board Committee and the Chair of the Review Panel, will prepare a Review Approach Paper. The Review Approach Paper will outline the nature, scope, timing and budget for the Review and terms of reference for the Review Panel and consultants. The paper will be reviewed by the ECG Chair in consultation with ECG members. As required, comments will be provided on behalf of ECG. The level of procedural detail described in such papers can vary widely and will take into account preferences and specific requirements by the institution being reviewed. Until significant experience is gained, the Reviews will rely more on practices and procedures that are suitable in the context, rather than on a formally adopted rules of procedure.

21. Although each Review will have its own procedures, OECD DAC experience suggests a common pattern, consisting of three phases:

1. The preparatory phase: The first phase consists of background analysis and some form of self-evaluation by the evaluation department under review. This phase includes work on documentation and data and involves completion of a questionnaire similar to that outlined in Appendix 1 of this report. Major topics that could be considered include: (i) evaluation policy: role, responsibility and objectives of the evaluation unit; (ii) impartiality, transparency and independence; (iii) resources and staff; (iv) evaluation partnerships and capacity building; (v) quality of evaluation products; (vi) planning, coordination and harmonisation; (vii) dissemination, feedback, knowledge management and learning; and (viii) evaluation use.

The questionnaire in Appendix 1 can be adapted for a self-evaluation exercise and to serve as an agenda for a dialogue in the consolidation phase that follows. During this preparatory phase, the Review Panel is established and the Chair of the Panel makes preparations for his/her supervisory role of the Review in cooperation with the Chair of the Board Committee and supported by a designated senior staff member of the evaluation department. During this phase, the head of the evaluation department under review will prepare the Review Approach Paper in close cooperation with the Chair of the Board Committee. For the preparation of this paper, consultant services might be required. Both the Chair of the Review Panel and the ECG Chair would provide inputs and comments. The Review Approach Paper provides the basis for the Review and is approved by the relevant Board Committee.

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18 See footnote 12.
2. *The consultation phase:* The Review Panel, with assistance from the consultants, undertakes consultations in the ECG member under review. During this phase, the Review Panel and the consultants maintain close contact with the Chair of the Board Committee, the evaluation department and senior Management of the institution under review. If provided for in the Review Approach Paper, the Review Panel and consultants can consult with external stakeholders (e.g., client countries; interest groups; civil society; academics; other sources of expertise). At the end of this phase, the Review Panel prepares a draft report, which usually follows a standard model comprising an analytical section, where the performance of the evaluation function in the institution is examined and an evaluation or summary section setting forth the main conclusions and recommendations. After review by the ECG, the Review Panel shares the draft report with the institution’s senior Management, the Board Committee and the head of the evaluation department. Adjustments may be made in the report based on the feedback received, as the Review Panel considers justified, before the report is finalised and presented for Final Review report to the ECG Chair.

3. *The assessment phase:* The final Review Report is presented by the ECG to the Board Committee\(^{19}\). Representatives of the Review Panel will, if requested, be present during such discussions. Following this consideration, a summary of the Chairman of the Board Committee is prepared giving the conclusions and recommendations on the final report. The Board Committee Chairman, at his/her discretion, may present his/her summary and/or the Review Report to the full Board of Directors. Ideally, the final report of the Review Panel might find general consensus among the participants in the Review. However, the Board Committee might have its own interpretation and views on parts of the Review Report. The final report, and particularly its recommendations, provide a basis for follow-up monitoring of the performance of the evaluation function of the institution under review, for a possible update of the institution’s evaluation policy and, ultimately, for a subsequent Review. The final Review Report and the Board Committee’s Chairman’s Summary will be public documents, disclosed on the website of the respective institution and the ECG website.

6. **THE FUNCTIONS OF THE REVIEW FRAMEWORK**

22. Reviews, directly or indirectly, can serve the following purposes:

1. *Further dialogue among ECG Members:* During the execution of the Review Framework, ECG members can systematically exchange information, attitudes and views on policy decisions and their application. This dialogue can be the basis for further co-operation, through, for example, the adoption of new policy guidelines, recommendations, greater harmonization in the area of evaluation, further development of various good practice standards or exchanges among the Management of institutions in the area of evaluation.

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\(^{19}\) See footnote 12.
2. **Transparency:** In the course of a Review, the evaluation department of the institution under review presents and clarifies evaluation principles, rules, practices and procedures and explain their rationale. This should help the ECG to further develop certain documentation including good practice evaluation standards. The combination of two levels of enhanced transparency – towards other institutions and towards the public – contributes to the effectiveness of the Review and the related peer pressure.

3. **Capacity building:** A Review is a mutual learning process in which best practices are exchanged. The Review Framework can serve as a capacity building instrument – not only for the evaluation department under review, but also for the institutions participating in the Review as members of the Review Panel or simply as members of the ECG. For example, certain methodologies – such as benchmarking or recourse to quantitative indicators in assessing compliance with policies – might be unfamiliar to some institutions before they participate in the Review. The Review exercise represents an important learning opportunity.

4. **Replication:** The Review Framework for the evaluation function might lead to other international financial institutions (IFIs), particularly those participating periodically as observers in ECG meetings, using this report for their own Review initiatives.

5. **Compliance:** An important function of the Review Framework is to monitor and enhance compliance by participating ECG members with the internally adopted evaluation policy and with the ECG-agreed policies, standards, and principles of good practice evaluation standards. Unlike a traditional legal enforcement mechanism, a Review works as a “soft enforcement” system, resulting in non-coercive final reports and recommendations rather than binding coercive acts, such as sanctions. In many contexts, the soft law nature of a Review is better suited to encouraging and enhancing compliance than a traditional enforcement mechanism. For example, unlike a legal enforcement body, a Review has the flexibility to take into account an institution’s mandate and resulting policy objectives, and to look at its performance in a historical and political context. A Review can, therefore, assess and encourage trends towards compliance even among participating institution’s who do not yet apply all the good practice standards to the full extent. A Review can also enhance compliance by helping to clarify differences in policy positions among participating ECG members, thereby leading to the resolution of those differences.

7. **CONDITIONS FOR A REVIEW TO BE EFFECTIVE**

23. The effectiveness of a Review depends on the combination of factors, which may be summarised as follows:

   1. **Value sharing:** One precondition for an effective Review is convergence among the participating ECG members on the standards or criteria against which to evaluate

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20 On the notion of soft law, see the relevant entry in J. Salmon (ed.), *Dictionnaire de droit international public*, Bruxelles, 2001.
performance. The ECG’s good practice standards in different areas of evaluation provide some common standards and encourage harmonization.

2. Adequate level of commitment: Reviews can function properly only if there is an adequate level of commitment by the participating institution in terms of both human and financial resources. The participating institutions must make adequate financial resources available for the execution of the Review Framework. In addition, the designated committee of the Board of Directors must be fully engaged in the Review Framework to provide guidance to the Review Panel at different stages of the Review.

3. Mutual trust: Since the Reviews are, by their nature, a co-operative, non-adversarial process, mutual trust is an important basis for success. While the Review Framework itself can contribute to confidence building, a large degree of trust and value sharing among the participants should be present from the beginning to facilitate, among other things, the disclosure of data, information and documentation, which are essential to the a successful execution of the Review Framework.

4. Credibility: The credibility of the Review Framework is essential to its effectiveness, and to its added value. There is a strong linkage between the credibility of the Framework and its capacity of influence. To assure this credibility, the approach that the Review Panel and consultants must be objective, fair and consistent. In the same way, the committee of the Board of Directors and its Chairman, in collaboration with the ECG, must ensure the independence, transparency and quality of work. Credibility can be undermined if the Review Framework is flawed by such factors as unqualified panel members and consultants, bias stemming from specific interests, or inadequate standards or criteria against which to undertake the Review. A potential threat to the credibility of the Framework is the possibility of attempts by the evaluation department of the institution under review to unduly influence the final outcome. The involvement of designated Board Committee and ECG during all implementation stages of the Review Framework is the best way to manage this potential risk.

24. With each of these factors in place, a Review can serve as a stimulus to incremental change and improvement. Through the accompanying effect of peer pressure – including both persuasion by other participating institutions and the stimulus of public opinion –Reviews have the potential to create a catalyst to improve the performance of the evaluation function.

8. CHALLENGES OF A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION

25. The OECD/DAC has a full time, professional secretariat to steer their Peer Review process. The fact that the ECG does not have such a sophisticated Secretariat in place poses a challenge to the system described in this report. The Review Framework as presented in this report relies considerably on the Chair of the Board Committee and the Chair of the Review Panel. Both will be assisted from the inside of the institution under review by a senior evaluator and from the outside by the consultant examiners. The Review Steering Group composed of these two Chairs will manage the Review Framework. Some administrative support can be provided by the ECG Secretariat established in 2007.
26. Another challenge is posed by the differences between the evaluation systems of ECG members. The Review Framework for the evaluation function as described above should be considered as an umbrella scheme under which further details can be worked out and made to suit the unique characteristics of the institution under review. During the preparation for the Review, the Board Committee and ECG can give guidance to the Review Panel on the key issues of importance to the evaluation function under review that should be addressed. The Review Approach Paper (Section 5.4), which is the blueprint for each Review exercise, will most likely identify 5 to 10 key issues to be addressed in the Review that are relevant for the institution under review.
Appendix 1

QUESTIONNAIRE

WORKING TOOL FOR A REVIEW FRAMEWORK FOR THE EVALUATION FUNCTION AND ASSESSMENT OF THE EVALUATION FUNCTION IN PARTICIPATING ECG MEMBERS

1. Evaluation Policy: role, responsibility and objectives of the evaluation department
   - Does the institution under review have an evaluation policy?
   - Does the policy describe the role, governance structure and position of the evaluation unit within the institutional context governed by the articles of association?
   - Does the evaluation function provide a useful coverage of all the activities/operations/programmes of the institution?
   - According to the policy, how does evaluation contribute to institutional learning and accountability?
   - How is the relationship between evaluation and audit conceptualised within the ECG member under review?
   - Is the evaluation policy adequately known and implemented within the institution?

2. Impartiality, transparency and independence
   - To what extent are the evaluation department and the evaluation process independent from line management?
   - What are the formal and actual drivers ensuring/constraining the evaluation department’s independence?
   - What is the evaluation department’s experience in exposing successes and failures of operational activities/programmes/projects/strategies/policies and their implementation?
   - What is the evaluation department’s experience in challenging conventional wisdom?
   - Is the evaluation process transparent enough to ensure its credibility and legitimacy? Are evaluation findings consistently made public?
   - Is there a policy on managing conflicts of interest?
• How is the balance between independence and the need for interaction with line management dealt with by the system?

• Are the evaluation process and reports perceived as impartial by non-evaluation actors within and outside the institution?

3. **Resources and Staff**

• Is evaluation supported by appropriate financial and staff resources?

• Does the evaluation department have a dedicated budget? Is it annual or multiyear? Does the budget cover activities aimed at promoting feedback and use of evaluation and management of evaluation knowledge?

• How is the head of the evaluation unit selected and/or extended? Who does his/her annual performance review? Who decides his/her salary increase?

• How independent is the evaluation department in selecting and recruiting staff?

• Do staff have specific expertise in evaluation, and if not, are training programmes available?

• Is there a flow of staff between the evaluation department and the operational departments and visa versa?

• Is there a policy on recruiting consultants, in terms of qualification, impartiality and deontology?

4. **Evaluation partnerships and capacity building**

• To what extent are beneficiaries, borrowers or executing agencies involved in the evaluation process?

• To what extent does the institution rely on local evaluators or, when not possible, on third party evaluators from borrowing member countries?

• Does the institution engage in partner-led evaluations?

• Does the evaluation department support evaluation training and capacity building programmes in borrowing member countries?

• How do partners/beneficiaries/NGOs perceive the evaluation processes and products (in terms of quality, independence, objectivity, usefulness and partnership orientation)?
5. **Quality of Evaluation Products**

- How does the evaluation department ensure the quality of its evaluations (including reports and process)?
- Does the institution have guidelines for the conduct of evaluations and are they used?
- Has the ECG member under review developed/adopted standards/benchmarks to assess and improve the quality of its evaluation reports?
- What is the usefulness of evaluation reports from the point of view of the Board of Directors, Management and the operational side of the institution?
- What is the assessment of the quality of the evaluation reports in terms of coverage, presentation of the evidence to support the conclusions, dispassionate, objective analysis and use of best international evaluation practice?
- How is the quality of evaluation products/processes perceived throughout the institution?

6. **Planning, coordination and harmonisation**

- Does the participating ECG member have a multi-year evaluation work plan, describing future evaluations according to a defined timetable?
- How is the evaluation plan developed? Who, within the organization, identifies the priorities and how?
- Does the work programme reflect an appropriate balance between corporate level evaluations, complex evaluations (e.g., country/sector/policy/thematic evaluations) and project level evaluations?
- How is the evaluation function organised within the institution?
- Does the evaluation department assess the quality of the self evaluation processes in the institution?
- Does the evaluation department coordinate its evaluation activities with other multilateral agencies and bilateral donors?
- How are field level evaluation activities coordinated? Is authority for evaluation centralised or decentralised?
- Does the evaluation department engage in joint/multi donor evaluations?
• Does the evaluation department make use of evaluative information coming from other 
  MDBs, bilateral donors, academia or NGOs?

7. **Dissemination, feedback, knowledge management and learning**

• How are evaluation findings disseminated? In addition to reports, are other communication 
  tools used (e.g., press releases, press conferences, abstracts, annual reports providing a 
  synthesis of findings, repackaging of evaluation findings, web based technologies, articles 
  in non-ECG member publications)?

• Are all evaluation reports made public? Are position papers made public? Are comments 
  from third parties on the evaluation products made public?

• What mechanisms are in place to ensure feedback of evaluation results to policy makers, 
  operational staff and the general public?

• What mechanisms are in place to ensure that knowledge from evaluation is accessible to 
  staff and other relevant stakeholders?

• Is evaluation viewed as an integral part of the knowledge management system?

• Is evaluation considered a ‘learning tool’ by staff of the organization under review?

8. **Evaluation Use**

• Who are the main users of evaluations within and outside the institution?

• Does evaluation respond to the information needs expressed by the Board of Directors, 
  Management, operational staff, developing countries and/or civil society?

• Are there systems in place to ensure monitor and track action taken on the implementation 
  of evaluation findings and recommendations?

• Are recommendations included in evaluation reports clear and capable of being acted on 
  and monitored?

• What is the linkage between the timing of evaluations and new operations? For example, 
  are there institutional requirements for evaluations of policies, country strategies or 
  projects to be completed before policies or country strategies are revised or follow on 
  projects are funded?

• How does the institution promote follow up on findings from relevant stakeholders 
  (through e.g. steering groups, advisory panels or sounding boards)?
• Are links with decision making processes ensured to promote the use of evaluation in policy formulation? For example, is there a “just in time” dissemination system – i. e., ensuring that evaluation findings are packaged in a digestible form and delivered to decision makers who can influence decisions?

• Are there recent examples of major operation and policy changes attributable to evaluation findings and recommendations, i. e., influential evaluations?

• Are there examples of how evaluation serves as an accountability mechanism?

• What are the perceptions of non evaluation actors (operation and policy departments, field offices, etc) regarding the usefulness and influence of evaluations?