

AFRICAN DEVELOPMENT BANK GROUP



**REPORT ON THE INDEPENDENCE OF THE OPERATION
EVALUATION DEPARTMENT (OPEV) OF THE AFRICAN
DEVELOPMENT BANK**

**OPERATIONS EVALUATION DEPARTMENT
(OPEV)**

12 October 2005

**Independence of the Operation Evaluation Department
of the African Development Bank**

Report of the Senior Evaluation Advisers¹

October 12 , 2005

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Executive Summary

1.1 At a meeting of the Board's Committee on Development Effectiveness (CODE) of the African Development Bank held in October 2004, executive directors called for an arm's length assessment of the independence of the Operations Evaluation Department (OPEV). Acting on behalf of CODE, OPEV contracted two Senior Evaluation Advisers (SEAs) who carried out their assignment during August-October 2005. This report presents their findings and recommendations. It identifies actions that executive directors may wish to consider to tackle real and perceived threats to OPEV's autonomy, objectivity and impartiality.

1.2 The proposed changes in the framework and modalities of independent evaluation are designed to enhance the rigor, objectivity and impartiality of OPEV while at the same time narrowing the professional distance between evaluators and operational departments. If adopted by CODE, they should bring the Bank closer to the good practices of comparator organizations while respecting its own organizational character and legal traditions. The ultimate objective is better development results through increased accountability and organizational learning. Since the proposed agenda of reform is demanding, implementation of the recommendations would require careful sequencing. A road map would have to be drawn to help monitor progress and adopt mid-course corrections, as required.

Independence

1.3 Independence is central to the credibility of evaluation. An evaluation is deemed independent if it is carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention. Thus, external evaluations that depend on management funding decisions are not as independent as internal evaluations that report to (and receive their funding from) the executive directors.

1.4 Independent evaluation also implies freedom from political influence and budget pressure, full access to information and full autonomy in carrying out investigations and reporting findings. In particular, evaluation should be immune from capture by any of the parties that share the responsibility of program management. In addition, distinctive personal characteristics, attitudes and behaviors should be nurtured among evaluators.

1.5 However, independence is not isolation. An 'in house' function enhances the interaction between evaluators, program managers, staff and beneficiaries of Bank assistance. While it would not be proper for OPEV to be involved in decision making regarding the design of operations that could eventually be subjected to OPEV retrospective evaluation, OPEV independence would not be impaired by making available relevant lessons of experience to the operational staff concerned. Thus, while remaining independent (without being involved in decision making concerning the design of operations that it might evaluate in the future), OPEV could contribute more actively to the improvement of the quality of Bank operations by facilitating the process of learning from experience.

1.6 Drawing on the good practice standards of official audit and evaluation agencies, four dimensions of evaluation independence have been recognized by the Evaluation Cooperation Group (ECG) in which the heads of evaluation of the major multilateral development banks (MDBs) are represented. These criteria are: (i) organizational independence; (ii) behavioral independence; (iii) avoidance of conflicts of interest; and (iv) protection from external influence. They were used in the preparation of this report.

Current status

1.7 OPEV reports to the Board of Directors through the Committee on Development Effectiveness (CODE) while, with respect to “matters of a purely administrative nature”, OPEV reports to the President. The title and grading of the OPEV Director position does not adequately reflect the importance and sensitivity of the function. The executive directors have no explicit role in the selection or removal of the OPEV Director. Management control over OPEV’s *budgeting and personnel management* is perceived to have had a detrimental impact on OPEV in terms of resource allocation, staffing and organization. Given its budget constraint, OPEV has not done justice to the full spectrum of independent evaluation work that would help executive directors oversee the development effectiveness of Bank operations.

1.8 The *self evaluation gap* at the African Development Bank is wide, deep and growing. The project completion report (PCR) *backlog* has grown relentlessly. This has had a detrimental impact on the organizational learning and accountability. The quality at entry and the quality of supervision for projects are not systematically measured and tracked in real time. Nor has OPEV been used by management and CODE as an authoritative source of independent advice on self evaluation methods and processes. Evidently, the dual reporting arrangement has constrained independent evaluation while failing to enhance self evaluation.

Reporting

1.9 Greater clarity in OPEV’s reporting relationship to the Board through CODE is needed. The bifurcated reporting responsibility should be replaced by a single reporting line to the executive directors. This would be consistent with the pattern adopted by other MDBs (World Bank, Asian Development Bank, Inter-American Development Bank). It would not preclude OPEV’s direct access to the President but the ‘dotted line’ would be advisory rather than administrative. It would represent the channel through which OPEV provides senior Bank management with information and guidance regarding operational quality and development effectiveness.

1.10 Under the revised reporting arrangement, conformity with institutional personnel and budget management standards would be the responsibility of the OPEV head acting under the oversight of CODE in consultation with the Vice Presidents in charge of the budget and of human resources. The OPEV budget would be “ring fenced” and budget arbitration achieved through interaction between CODE, the Committee of the Whole and Bank management.

Evaluation head

1.11 Selection modalities for the OPEV head should be aligned with good practice among the MDBs. The *appointment* should be a Board responsibility, with input from management. Only the Board of Directors should be authorized to divest the head of independent evaluation from his/her functions.

1.12 The *grade* of the OPEV head should reflect the importance, complexity and sensitivity of the function. A change in the *title* of the OPEV head (e.g. to “Director General, Operations Evaluation”) would signal the independence of the function.

1.13 While renewal after the first term should not be automatic, the circumstances of *removal* prior to the end of an approved term should be narrowly defined and care should be taken not to leave the position vacant for any length of time even if this means allowing an incumbent to stay behind his/her regular retirement date.

Access to information

1.14 Unfettered access to the staff and the records of the Bank is critical to the quality of independent evaluation. An explicit Presidential instruction (or a new provision within the official OPEV mandate) would make clear that OPEV is entitled to unrestricted access to the staff and records of the Bank relevant to the exercise of its function and that Bank operational managers and staff should facilitate visits to project sites and meetings with client, partner and government representatives.

Conflicts of interest

1.15 The Bank's "Code of Conduct" protects against a wide range of conflicts of interest but not against those that are specific to evaluation (e.g. an OPEV staff member or manager that has been involved in the decision making process of a Bank financed operation ought not to participate in its evaluation). Hence, to remove any doubt about the impartiality of OPEV evaluations, it would be desirable for an explicit OPEV instruction to be issued and/or an addition to the Code of Conduct to be introduced.

Behavioural independence

1.16 OPEV's reports are often couched in excessively "diplomatic" language. Evaluation recommendations have often been too vague to be acted upon or monitored. Ratings have not been rigorously or consistently applied. Transparency has suffered as a result of untimely public disclosure of OPEV documents. Furthermore, the absence of written management responses tracked by OPEV has hampered organizational learning and accountability. Under CODE oversight, OPEV and management should remedy this state of affairs. Evaluation guidelines should be prepared, relevant training provided, internal quality assurance strengthened and timely public disclosure assured

Self evaluation

1.17 A comprehensive review of the self evaluation system should be carried out that would lead to an action program with priority in resource allocation. The program would address quality assurance processes, filling of evaluation gaps, elimination of the PCR backlog and utilization of lessons of experience. Proactive involvement of senior managers and operational staff in the design of such a program (e.g. through a joint OPEV-management task force) would help to internalize the need for reform and generate practical solutions. Finally, OPEV should continue the important work that it recently started in assessing the quality of PCRs and it should report periodically to CODE on progress in the quality of the self evaluation system.

Independence of the Operations Evaluation Department of the African Development Bank

Report of the Senior Evaluation Advisers

1. Conception of Report

1.1 Introduction

1.1.1 At a meeting of the Board's Committee on Development Effectiveness (CODE) of the African Development Bank held in October 2004, Executive Directors called for an arm's length assessment of the independence of the Operations Evaluation Department (OPEV). Acting on behalf of CODE, OPEV contracted two Senior Evaluation Advisers (SEAs)². They carried out their assignment during August-October 2005³, in line with their terms of reference (Annex 1).

1.1.2 This report presents their findings and recommendations. It identifies actions that Executive Directors should consider to tackle real and perceived threats to OPEV's autonomy, objectivity and impartiality. The review is based on an examination of the literature, a critical assessment of relevant documents, an opinion survey (Annex 2) and a visit to the Bank's headquarters in Tunis in September 2005 during which the SEAs interacted with three focus groups (country managers, sector managers, operational staff and OPEV staff) and conducted face to face interviews with Executive Directors, Vice Presidents, senior managers and Bank staff. A list of persons consulted is attached (Annex 3)⁴.

1.1.3 The report is in five parts. First, evaluation independence is defined and its relevance for evaluation quality is specified. Second, basic background about OPEV is provided along with major findings from past corporate assessments. Third, the strengths and limitations of OPEV's independence are examined. Fourth, strategic and management issues related to OPEV's independence are probed. Fifth, a synthesis of the findings and major recommendations are offered.

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³ While the Senior Evaluation Advisers received invaluable logistical support from OPEV, and OPEV management and staff generously shared their opinions and perceptions, this report does not seek to represent their views.

⁴The SEAs are grateful for the time and insights of all executive directors, managers and staff who generously contributed to the review.

1.2 What is evaluation independence?

1.2.1 Definitions

1.2.1.1 The meaning of independence has long been a subject of debate within the auditing and evaluation communities. The Handbook of International Auditing by the International Federation of Accountants (2003) distinguishes between *independence of mind* (“the state of mind that permits the provision of an opinion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional skepticism”) and *independence in appearance* (“the avoidance of facts and circumstances that are so significant that a reasonable and informed third party, having knowledge of all relevant information, including safeguards applied, would reasonably conclude.. (that) integrity, objectivity or professional skepticism had been compromised”). Both meanings are intertwined within the concept of auditors’ independence.

1.2.1.2 Independence is central to the credibility of evaluation. The Evaluation Thesaurus⁵ indicates that by increasing independence in evaluation “we can decrease certain types of bias (including) ...extreme conflicts of interest where the evaluator is ‘in bed with’ the program being evaluated...typical of much program monitoring by agencies and foundations where the monitor is usually the godfather of the program, sometimes its inventor, and nearly always its advocate at the agency...”

1.2.1.3 Within the development evaluation profession, an authoritative definition of evaluation independence is found in the *Glossary of Key Terms in Evaluation and Results Based Management* issued by the Development Assistance Committee of the OECD. It specifies that an evaluation is independent when it is “carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention”. It also indicates that independent evaluation presumes “freedom from political influence and organizational pressure”, “full access to information” and “full autonomy in carrying out investigations and reporting findings”.

1.2.1.4 These and other sources suggest that, along with quality assurance and ethical guidelines, independence is a critical feature of evaluation credibility and reliability. This is why persons that have reason to fear the outcome of an evaluation will frequently throw doubt on its independence. Yet, independence on its own does not guarantee quality: relevant skills, sound methods, adequate resources and transparency are also required. Conversely, evaluation quality without independence does not ensure credibility. Thus, independence and quality are synergistic. In open and accountable working environments, evaluation independence induces confidence, protects the learning process and induces program managers and stakeholders to focus on results.

1.2.2 Limits

1.2.2.1 Optimum independence is not maximum independence. Accurate and fair evaluations combine intellectual detachment with empathy and understanding. The ability to engage with

⁵ Michael Scriven. *Evaluation Thesaurus*. Fourth Edition. Sage Publications. Newbury Park, London and New Delhi. 1991.

diverse stakeholders and secure their trust while maintaining the integrity of the evaluation process is the acid test of evaluation professionalism. This is why diminishing returns set in when evaluation independence assumes extreme forms. Total independence ruptures contacts with decision makers and restricts access to relevant sources of information. It leads to isolation, a lack of leverage over operational decision making and a chilling effect on learning.

1.2.2.2 External evaluation is often equated with evaluation independence. Yet, external evaluators often lack an appreciation of the operating context. Furthermore, their judgment may be impaired by their dependence on funding from the very managers in charge of activities being evaluated. Specifically, fee dependence may threaten the integrity of the evaluation process. By contrast, internal evaluations funded and controlled by the supreme governance authority are protected from management influence while enjoying proximity with the programs being evaluated. Such evaluations are more likely to overcome “information asymmetries” while protecting the objectivity of the process from management influence.

1.2.2.3 In sum, evaluators should not be so detached as to shirk interaction with program managers, staff or beneficiaries. But they need protection from external threats to their impartiality as well as access to the information they need to carry out their work. They should be immune to capture by any of the parties that share the responsibility of program design and management. This implies special organizational safeguards but, in addition, distinctive personal characteristics, attitudes and behaviors⁶ should be cultivated among evaluators. Good evaluation just as good science calls for a frame of mind characterized by curiosity, skepticism and a hunger for evidence. It also calls for a fair and balanced approach that does not shirk from pointing out problems and performance shortfalls but also recognizes success and achievement.

1.2.3 Criteria

1.2.3.1 How then can one assess the adequacy of independent evaluation? The answer lies in guidelines that reflect the above considerations and draw legitimacy from a participatory design embedded within the profession. Fortunately, such guidelines for independence in development evaluation are available. Drawing on the good practice standards of official audit and evaluation agencies, four dimensions of evaluation independence have been recognized by the Evaluation Cooperation Group, which is composed of the heads of evaluation of the multilateral development banks (MDBs): (i) organizational independence; (ii) behavioral independence; (iii) avoidance of conflicts of interest; and (iv) protection from external influence.

1.2.3.2 As prescribed in the terms of reference, these were the criteria used by the SEAs to assess OPEV’s independence. In particular, they informed the design of an opinion survey questionnaire addressed to executive directors, managers and staff (Annex 2). The four criteria are interrelated. Protection from outside interference is the object of organizational independence. Conflicts of interest are frequent absent organizational independence. Behavioral independence is a function of organizational independence as well as avoidance of conflicts of interest and protection from external interference.

⁶ The Yellow Book of the General Accounting Office of the United States that sets out criteria for auditing and evaluation identifies “an independent attitude and appearance” as desirable characteristics.

1.2.3.3 *Organizational independence* ensures that the evaluation unit and its staff are not under the control or influence of decision-makers who have responsibility for the activities being evaluated and that they have full access to the information they need to fulfill their mandate. *Behavioral independence* measures the extent to which the evaluation unit is able and willing to set its work program, produce high quality and uncompromising reports and to disclose its findings to the Board without management imposed restrictions. *Conflict of interest safeguards* guarantee that current, immediate future or prior professional and personal relationships and considerations are not allowed to influence evaluators' judgments or create the appearance of a lack of objectivity. *Protection from outside interference* keeps the evaluation function free to set its priorities, design its processes and products, reach its judgments and administer its human and budget resources without intrusion by management.

1.2.3.4 Evaluation quality cannot be divorced from evaluation independence: independence without competence can be misleading, disruptive and costly. Conversely, quality is undermined when evaluation is captured by: (i) constraining information so that evaluation products cannot have any critical content; (ii) controlling the content of the evaluation program so that it does not contribute any new knowledge; (iii) delaying the evaluation process (or the disclosure of evaluation results) until after the decisions that might have been informed by the evaluation are taken; (iv) inducing the evaluators to focus on irrelevant or marginal aspects of the program or policy being evaluated.

1.2.3.5 Hence, behavioral independence is a privileged dimension of evaluation excellence. It can be ascertained by examining whether the evaluation unit produces evaluations that are endowed with one or more of the following characteristics: (i) *criticality*: the ability and willingness to judge performance in an objective and transparent fashion; (ii) *additionality*: a distinctive contribution to operational knowledge creation or dissemination; (iii) *timeliness*: the delivery of operations evaluation findings and lessons early enough to inform decision making; and (iv) *materiality*: a deliberate focus on topics and issues that have substantial relevance to development effectiveness.

2. Where does Evaluation stand at the African Development Bank?

2.1 OPEV's Creation

While evaluation at the African Development Bank dates back to 1977, the first evaluation unit was not set up until 1980 when a special division was created within the Research and Planning Department. In 1987, the unit became an Operations Evaluation Office reporting to the President. In 1993, the Board of Directors assumed oversight of the evaluation function through the General Audit Committee. In 1995 the Evaluation Office was upgraded to a Department. In 1996, it was placed under the umbrella of the newly created Committee on Development Effectiveness (CODE). In 2002, the function of the Department was reconsidered and a Presidential instruction was issued: it constitutes OPEV's current mandate.

2.2 Self-evaluation

2.2.1 Providing a comprehensive and objective *assessment of development results* is a fundamental contribution to sound corporate governance. Given the scale and diversity of Bank operations, this task is best achieved in an enabling environment that gives adequate

weight to self evaluation: in all the MDBs, independent evaluation is constructed on the foundations of self evaluation. Just as financial auditing requires the prior production of accounts, independent evaluation is critically reliant on the capacity and willingness of operational departments to carry out the self evaluation activities for which they are responsible. Hence, a weak self evaluation system constitutes a threat to the effectiveness of the independent evaluation function.

2.2.2 The *self evaluation gap* at the African Development Bank is wide, deep and growing. The delivery of Project Completion Reports (PCRs) has declined from 71 in 1996 to 27 in 2004 (Annex 4). As a result, the *PCR backlog* has grown relentlessly: it now stands at 268 (August 2005). The chronic lag in PCR delivery has had a ‘knock on’ effect on OPEV activities since the number of independent evaluation reviews (100% sample) as well as the number of project performance evaluations (25% sample) are linked to the outturn of PCRs. The same gap has had a detrimental impact on country and sector evaluations that depend on PCR inputs. Finally, the reliability of performance trends included in OPEV’s flagship publication⁷ that tracks the aggregate development outcomes of Bank operations has been undermined by chronic and significant gaps in PCR production.

2.2.3 Evidently, self evaluation activities in the Bank have not enjoyed priority. This is reflected in the allocation of scarce resources. Most of the PCRs are farmed out to consultants, thus constraining staff learning benefits. Lack of interest in PCRs by senior managers and analytically gifted staff is explained by the fact that PCRs (just as supervision reports) focus on physical implementation, disbursements and compliance with loan conditions at the expense of development outcomes. In effect, PCRs have been conceived as implementation completion documents rather than as development learning instruments.

2.2.4 The neglect of self evaluation is also reflected in quality assurance weaknesses. In particular, the quality at entry and the quality of supervision for projects are not systematically measured and tracked by management in real time. This means that the ratings used for the annual review of project performance conducted by management are not adequately scrutinized and lack independent verification. Thus, no timely and accurate feedback on the likely development impact of the portfolio is currently delivered to senior management and the Board. Finally, non lending services, country strategy papers and sector policies have not been subject to systematic self assessments.

2.2.5 The absence of *quality tracking*⁸, the extended implementation periods characteristic of Bank financed projects and the delays and gaps associated with project completion reporting mean that the feedback loop on which organizational learning depends is exceedingly frail. The low priority accorded to self evaluation within the institution is confirmed by the absence of a focal point within senior management for oversight of self evaluation, including monitoring the production and quality of PCRs, ensuring coherence in self evaluation practices across managerial units and facilitating coordination in the interaction between the operational complexes and OPEV. Nor has OPEV been used by management and CODE as an authoritative source of independent advice on self evaluation methods and processes.

⁷ African Development Bank. *Review of 2001-2002. Evaluation Results*. Operation Evaluation Department. March 2004.

⁸ A quality assurance review system is being set up in the Policy, Planning and Research Vice-Presidency.

2.3 OPEV's Mandate

2.3.1 The Presidential Directive dated May 23, 2002 and approved by the Board delineates OPEV's mission. It underlines the importance of ensuring and maintaining the "independence, objectivity and the highest standards of quality" of the operations evaluation function. It tasks OPEV to provide *comprehensive and objective assessments* of the Bank Group's assistance strategies, policies, operations, processes and procedures.

2.3.2 To this end, OPEV is expected to undertake, independently of the Bank's operational departments, *performance evaluations* of completed projects as well as *impact evaluation* studies, *sector policy reviews*, *country assistance evaluations*, *lending process reviews* and *ad hoc* studies commissioned by the Board – or requested by the President. OPEV is also assigned the responsibility of (i) attesting to the *adequacy of the overall evaluation system* within the Bank; (ii) *disseminating* lessons of experience; and (iii) promoting *evaluation capacity development* in member countries. These distinct facets of OPEV's role are complementary and mutually reinforcing.

2.3.3 Without the regular and timely production of adequate self evaluation documents OPEV cannot be expected to provide the Board with the information it needs to exercise its operational oversight role. Conversely, the *quality of self evaluation* hinges significantly on the extent to which intellectual guidance and competent oversight is provided by the independent evaluation function. This underscores the need for independent evaluation to enjoy a measure of authority over the design of self evaluation processes, programs and products. This aspect of OPEV's mandate has been neglected⁹. In particular, regular reporting to the Board on the overall status of independent and self evaluation processes within the Bank has been absent¹⁰.

2.3.4 The *dissemination* of lessons learnt within the organization is another fundamental feature of OPEV's role since the value of independent evaluation hinges on the influence it exerts on operational staff behavior. OPEV's impact in this area has been modest given the insufficiency of resources assigned to publications, training and data base management. Finally, OPEV's role in *evaluation capacity development* in borrowing countries has been marginal¹¹.

2.4 OPEV's Structure

2.4.1 Evaluation is meant to serve the executive directors as well as the President. With respect to functional matters, OPEV reports to the Board of Directors through the Committee on Development Effectiveness (CODE) while, with respect to "matters of a purely

⁹ Thus, PCR guidelines do not emphasize development impact and the rating of PCR quality by OPEV only started recently.

¹⁰ At the World Bank, the production of an Annual Report on Operations Evaluation has long been viewed as one of the vital corporate responsibilities assigned to the Director General, Operations Evaluation.

¹¹ OPEV has done very little to build domestic evaluation capacities at the country level. French speaking and Portuguese speaking countries have been especially neglected.

administrative nature”, OPEV reports to the President. The dual reporting arrangement was meant to strike a balance between behavioral autonomy and the leverage over operations presumed to flow from OPEV’s explicit administrative link to the President. In practice, the current mandate has restrained independent evaluation more than it has enhanced its impact on the quality of self evaluation within the organization.

2.4.2 The *bifurcated reporting relationship* is reflected in the Bank’s organization chart where OPEV is shown to report to the Board with an uninterrupted line while a “dotted” line connects OPEV to the President. Notwithstanding the merit of having OPEV connected to Bank management as well as the executive directors, the design of the current reporting relationship has created the perception that OPEV is subject to the discretion and authority of the President. Almost two out of three opinion survey respondents do not consider that the official mandate provides OPEV with high or very high freedom from line management with respect to reporting, staff and budgets.

2.4.3 Significant ambiguity exists with respect to OPEV’s *programming and budgeting*. Whereas the executive directors review and approve OPEV’s work program, budget construction is a management responsibility. The budget is subject to Presidential arbitration among competing claims from all parts of the organization, including OPEV. This budget allocation mechanism has the merit of conforming to the strictures of unitary budget management. But it has had unfavorable consequences for OPEV which has witnessed repeated shortfalls between its budget requests and the funds and staff complements actually allocated by management.

2.4.4 The practical consequence is that some evaluation activities that executive directors consider important for their oversight role have to be postponed¹². Thus, in 2005 OPEV requested 3,641 UA million and the amount approved was 2,626 UA million (72% of the requested amount), and the revised budget reached 2,883 UA million; one of the consequences of this reduced budget was the postponement of an important evaluation of the agricultural sector portfolio.

2.4.5 It is therefore not surprising that almost half of survey responses (48%) state that budget restrictions occasionally, frequently or routinely constrain evaluation. Though management has not used its budget authority to interfere with evaluation priorities, the aggregate budget constraint imposed on OPEV has been severe. Other operational activities of the Bank have been tightly budgeted as well but it would appear that the budget resources allocated to OPEV have been exceptionally tight both relative to the number and complexity of the tasks implied by its mandate and in relation to the budget provided for the evaluation function in comparator institutions.

2.4.6 Thus, OPEV’s budget was about \$2.5 m in 2002 compared to OED’s \$20 million budget at the World Bank (Annex 5)¹³. As a share of the total administrative budget, in 2005 OPEV’s budget is approximately 1.75%, whereas at the Asian Development Bank the share

¹² Current budget practices also imply that uncommitted funds under the approved OPEV budget could be reallocated to other departments during the quarterly and mid-year reviews conducted by management although in practice OPEV has occasionally failed to make full use of its budget allocations.

¹³ That year, the World Bank’s OED budget allocated to evaluation capacity development and evaluation publications alone exceed OPEV’s total budget by 30%.

is 2.10% (and has been at higher levels), and 1.45% at the Inter American Development Bank¹⁴.

2.4.7 The implications for staffing have been highly restrictive. OPEV's currently approved high level staff complement stands at 13 (including the Director) compared to 55 at the World Bank, 23 at the AsDB and 20 at the IDB; furthermore, there are significant differences in the number of research assistants: 22 at the evaluation office of the IDB, 7 at the AsDB and only 2 at the AfDB. Each OPEV staff member is responsible for an average of 7-8 projects compared to 1.7 in the Asian Development Bank, 2.7 at the World Bank and 2.9 at the Inter-American Development Bank.

2.4.8 The *personnel management* arrangements also deserve re-consideration since they have proven to be a hindrance to the managerial autonomy of OPEV. The share of questionnaire respondents that view the freedom of the head of evaluation to hire, fire, assess performance and remunerate staff to be high or very high (36%) is lower than those who judge it to be low or very low (43%).

2.4.9 In particular, the creation and grading of senior positions within OPEV is subject to management approval. The result of the tight control has been a flat *organizational structure*: all staff report to the Director who, as result, is burdened by a score of administrative and quality assurance tasks that have left him unable to do justice to broader issues of evaluation strategy, programming and out-reach. The structure of OPEV in comparison with comparator evaluation organizations is depicted in Annex 6. The new OPEV management has brought to the attention of CODE the need that a more elaborate structure that would permit greater specialization, tighter quality control and a more appropriate span of managerial control¹⁵. Action on the proposed restructuring of OPEV is under consideration.

2.4.10 The *rotation* of staff to and from the unit is subject to Bank-wide management control. This has allowed Bank management to reassign to OPEV several regional managers that did not make the grade in the post-1995 rationalization program. This decision had dire consequences for the effectiveness and reputation of OPEV. It demonstrated the vulnerability of the function to management interference – a legacy that has yet to be fully overcome. Recently, in the absence of a deliberate Bank rotation policy that deliberately favors independent oversight departments (including evaluation) OPEV has had to recruit eight (out of twelve) staff members from outside the Bank even though more the Director would have preferred to secure a higher share of internal recruits.

2.4.11 The locus of authority regarding the *appointment* of the Director is a revealing index of organizational independence. As in the other MDBs, whereas operational staff are eligible for rotation in and out of the evaluation unit, the head of OPEV is not eligible for reappointment to other parts of the Bank upon the expiration (or earlier termination) of his (or her) term(s). However, the OPEV Director is appointed by the President rather than the

¹⁴ The Inter-American Development Bank independent evaluation function does not currently cover project level evaluations.

¹⁵The current organizational structure has deprived OPEV of providing opportunities for promotion. This is reputed to have discouraged able staff from other parts of the Bank to apply for jobs in OPEV.

Board for a five year term (renewable once)¹⁶. While this is not specified in the OPEV mandate, the consensus of opinion is that the Director can only be removed by the President. In other words, the executive directors have no explicitly mandated role in the selection or removal of the Director. Nor are the causes for removal (e.g. demonstrated inefficiency or malfeasance) explicit¹⁷.

2.4.12 The *grade* of the Director position provides an indication of the degree to which the sensitivity, complexity and importance of the function are recognized by the institution. Currently, the OPEV head has a grade below the level of a Vice President. (the grade recommended by the Knox report) This appears to conform to the practice of the other regional banks. On the other hand, the Director General, Operations Evaluation position in the World Bank Group¹⁸ was recently upgraded to Senior Vice President (just below the President) and the head of evaluation at the IMF is graded immediately below the level of the deputy managing directors. .

2.4.13 Finally, the *title* of the Director signals the degree to which the institutional function concerned enjoys clout and independence. Thus the proposed title of Auditor General within the African Development Bank connotes the high value attached to financial probity by the institution. Equally, the title of Director General, Operations Evaluation (used in the World Bank Group and at the AsDB) symbolizes the unique status of the function within the organization and its direct reporting line to the executive directors for all major aspects of evaluation management. A comparison of evaluation organization characteristics among the MDBs is at Annex 7.

2.5 OPEV's Activities and Products

2.5.1 OPEV's activities were seriously affected by the financial crisis of 1995 and by the serious illness and untimely demise of the prior OPEV Director in 2003. A robust recovery is underway under the leadership of the new Director. The progress achieved in restoring the function is reflected in a sharp rebound in the output of the department as well as in its ambitious plans (Annex 8). In 2004, OPEV produced 15 Evaluation Notes, 7 PPEs and six country/sector/thematic studies. The 2005-07 work program would increase the delivery to an annual average of 43 Evaluation Notes (almost three times the 2004 level), 12-13 PPEs (a 70% increase over 2004) and more than 11 studies (a 45% increase over 2004).

2.5.2 The nature of OPEV's evaluation activities has evolved. Whereas it used to concentrate its resources on project level evaluations, it recently shifted its focus to the higher plane of country assistance evaluations and corporate evaluations. The recent independent evaluation of the ADF prepared at the request of its deputies typifies this trend. Currently, the mix of evaluation products closely resembles that of evaluation departments in the other MDBs. Specifically, OPEV conducts desk reviews (Evaluation Notes or Reviews)

¹⁶ At the World Bank there is no limit to the number of renewals of five year terms. For the head of the General Accounting Office of the United States, the term is set at fifteen years.

¹⁷ The selection of the evaluation head is the primary responsibility of the Board at the World Bank, the IMF and the Inter-American Development Bank.

¹⁸ The Director General, Operations Evaluation in the World Bank Group oversees the work of three evaluation units (the Operations Evaluation Department in IBRD/IDA, the Operations Evaluation Group in IFC and the Operations Evaluation Unit in MIGA)

of Project Completion Reports (PCRs) prepared by the operational department. It also carries out field-based project performance evaluations (PPEs) for a sample of PCRs (25%). Finally, it evaluates operational processes, country assistance programs and sector/thematic policies

2.5.3 The materiality and comprehensiveness of evaluation studies has improved significantly under OPEV's new management and CODE's leadership. Comparisons of successive drafts of recent studies confirm that interactions with management have not diluted significantly the substance of evaluation findings. Nevertheless, there is scope for substantial improvement in evaluation methods. In particular, quality assurance for OPEV's evaluation ratings is weak as illustrated by the disconnect analysis of Annex 9: it shows that the "criticality" of project performance evaluations is very low (there are more upgrades than downgrades!). To a lesser degree, the same conclusion applies to the PCR reviews.

2.5.4 In evaluation studies, findings are rarely bolstered by reviews of the literature and methods do not reflect the state of the art. Recommendations are far too numerous and not precise enough to elicit action or be subject to monitoring. The new emphasis placed by the new OPEV Director on training of evaluators and the resort to external peer group reviews recently instituted should help improve quality.

2.6 Past Corporate Assessments

2.6.1 The task force report on project quality issued in April 1994 ("Knox report") concluded that the post evaluation output was haphazard and unrepresentative of the portfolio. Less than a third of completed projects had been subjected to completion reporting. They were of poor quality and a disproportionate share of the PCRs was concentrated in two sectors (agriculture and public utilities) while all other sectors were severely under-represented. Due to poor project monitoring and weak supervision, the Bank lacked an effective reporting system that tracked implementation progress and compliance with loan conditions in real time. No substantial effort was devoted to projecting likely development impact.

2.6.2 As a result, management and the Board were not alerted to potential problem projects in the active portfolio and the Bank's evaluation system could not be relied upon to provide a comprehensive and reliable assessment of the quality and status of the loan portfolio let alone of the development impact of Bank operations. To remedy this state of affairs, the Knox report recommended (i) an elimination of the project completion backlog by 1997; (ii) annual portfolio management reports; (iii) 75% sampling of PCRs for independent performance evaluation; (iv) a regular program of independent ex post evaluation of appraisal quality; (v) regular (5 year) reviews of the Bank's contribution to development for individual countries; (vi) an annual report on evaluation performance at entry.

2.6.3 The Knox report also concluded that the evaluation office needed to be strengthened and made more independent. Specifically, it recommended the creation of a new Vice Presidential position modeled after the Director General, Operations Evaluation in the World Bank Group. As in the World Bank, the new Vice President (or Director General, Operations Evaluation) would oversee the management of the independent evaluation unit, provide regular advice to the President and the Board about the adequacy of self-evaluation and audit practices, report annually on the effectiveness of organization learning and the quality of

management responses and encourage institutional support for evaluation by member countries and their agencies as part of public sector management.

2.6.4 Implementation of the Knox recommendations regarding the evaluation function has been mixed. On the one hand, the OPEV evaluation of the African Development Fund VII, VIII and IX dated July 2004 emphasizes the progress made by the Bank in improving the focus and expanding the tool kit of the evaluation system since the Knox report: (i) updating and refining of monitoring, reporting and evaluation guidelines; (ii) mandatory application of logical framework analysis; (iii) new system of annual country portfolio performance reviews; (iv) shifting the focus of evaluation to the higher plane of country assistance and sector/thematic programs; and (v) increased attention to dissemination and evaluation capacity development.

2.6.5 On the other hand, the proposed Vice Presidential level position was not created and the ADF evaluation report finds that (i) the quality of monitoring still leaves a great deal to be desired given its neglect of development impact and the inadequate dissemination of lessons learnt; (ii) the project completion reporting backlog has continued to grow (only nine, or 18% , of the 50 operations that were started and completed under AfDF VII-IX delivered PCRs; while only four, or 8%, were subjected to PPEs); (iii) PCR quality remains poor and constrained by unclear project objectives and a chronic lack of verifiable performance indicators; and (iv) limited budget and staff resources for OPEV have limited the reach and impact of the evaluation function .

2.6.6 All in all, the ADF evaluation report concludes that the systemic empirical evidence from evaluations remains very limited and that only tentative and unreliable estimates of development results can be extracted from the available evaluation data.

3. Is OPEV independent ¹⁹?

3.1 Organizational independence

3.1.1 Organizational independence requires the function of the evaluation unit to extend to all operations of the organization. While concise²⁰, the Presidential Directive that lays out the OPEV mandate adequately meets the comprehensiveness criterion since it includes strategies, policies, operations, processes and procedures as well as overall assessment of the operational evaluation system within OPEV's scope of evaluative activities. Functionally,

¹⁹ Since the number of responses to the questionnaire was relatively small (26) and the response rate relatively low -- a little short of 20% -- the results of the opinion survey reported in this section should be interpreted with caution. Some of the perceptions reflected in the responses lag behind new initiatives and actual achievements, e.g. many respondents were unaware of the recent improvements in OPEV's report quality or of the full disclosure now intended for its reports. Nevertheless, the seniority of most respondents, the high quality of their responses and the congruence of survey results with the views expressed in interviews and focus groups confirm that the survey results should be given full consideration especially since evaluation independence is largely a matter of perception.

²⁰ The OPEV mandate does not refer explicitly to OPEV's oversight over self evaluation and independent evaluation methods. Nor does it mention risk management or make clear that OPEV is tasked with assessing whether the Bank Group is producing the results expected, including in global and regional programs where the Bank is one participant.

OPEV reports to the supreme governing authority as unambiguously stated in the Directive. The unit is located outside the line functions that OPEV is tasked to evaluate: this is reflected by the reporting lines and the organizational chart of the Bank. Finally existing oversight arrangements as well as the professional principles that govern its work help ensure that it is adequately shielded from political pressures. The main pressure points lie in the areas of management, budget and personnel.

3.1.2 While prescribing functional independence, the reporting relationship delineated in the Directive falls short of best practice. It does not give OPEV full autonomy from management since (i) the President selects, evaluates and has the authority to remove the Director and (ii) budget and personnel administration are under the control of Bank management without special safeguards. In effect, OPEV oversight is shared between the executive directors and management. While general personnel rules decree that remuneration, training, tenure and advancement are based on merit, no independent process has been set up to ensure that full protection is offered to evaluators who deliver unvarnished and unwelcome assessments of the Bank's performance.

3.1.3 Best practice among MDBs is that the reporting relationship is unambiguous, i.e. the head of evaluation is directly responsible to the Executive Directors/Board of Directors for all aspects of management and administration²¹.

3.1.4 Finally, the mandate statement does not make explicit that OPEV has access to all needed information sources. By contrast, good evaluation practices at the MDBs specify make that the evaluation unit has "unrestricted access to the staff and records of the Bank" and also that Bank management is to "facilitate visits to project sites and meetings with client, partner and government representatives". Strengthening of the mandate statement in these respects would be desirable.

3.1.5 Given the features of the OPEV mandate described above, it is not surprising that almost two out of three opinion survey respondents do not rate the degree to which OPEV reporting, staff and budget is fully independent of Bank management as high or very high.

3.2 Behavioral independence

3.2.1 Most survey respondents highlight quality as critical to the evaluation function and more than a third answered that OPEV has not proven willing or able to issue strong, high quality and uncompromising reports more often than "occasionally". Producing such reports on a routine basis is the acid test of behavioral independence. In part, such behavior reflects organizational incentives. Unless an evaluation unit feels secure enough to report its findings without fear of reprisal, it cannot be deemed to be independent. Equally, behavioral independence is shaped by the willingness and capacity of evaluation managers and staff to stand up publicly to their operational colleagues and defend their evaluation methods and findings.

²¹ At the World Bank, the DGO is "responsible for managing the personnel, budgets and work programs" of the evaluation units under the oversight of the Committee on Development Effectiveness (CODE) and in consultation with the respective Vice Presidents responsible for human resources and budgets..." The language includes specific wording regarding the autonomy of decision-making by evaluation managers with respect to budget processes, staff selection, performance evaluation and salary reviews.

3.2.2 This can be very demanding both professionally and personally since operational managers have greater knowledge of the detailed features of programs and projects subject to evaluation than the evaluators. Public disclosure adds to the stress since transparency offers other stakeholders some of whom have intimate knowledge of the program under evaluation (as well as interests to defend) a chance to comment on the quality of the evaluation. From this perspective, transparency in the reporting of evaluation findings raises the stakes for evaluation quality. OPEV's reports are all expected to be disclosed and posted on the internet²².

3.2.3 These considerations regarding quality suggest that behavioral independence is inseparable from evaluation skills, methods and resources. Rather than a once for all organizational characteristic, behavioral independence is an ideal towards which evaluation managers continually strive. The outcomes are contingent on the performance of individual evaluators but they also hinge on organizational structure that offers adequate protection and incentives for "telling it like it is" and promotes intellectual rigor, honesty and firmness in evaluation. Creating such a working environment is a feature of good corporate governance and organizational learning.

3.2.4 Quality standards and ethical guidelines strengthen behavioral independence and help to guarantee that evaluation findings are grounded in evidence. Furthermore, good practice guidelines require that country officials, operational managers and other stakeholders be given a full opportunity to comment on drafts and to record their disagreements in dissenting footnotes and statements. This has yet to become standard practice in the Bank. The ability to report candidly is also a function of the evaluation practices through which reports are prepared, reviewed and disseminated. Better communications about OPEV's freedom from management restrictions in this connection is required: the perception of 42% of opinion survey respondents is that the frequency of such restrictions is occasional or frequent.

3.2.5 Full interaction between evaluators, country officials, program staff and other stakeholders enhances evaluation quality, and increases the probability of ownership and use of evaluation findings by those stakeholders. Public disclosure is equally critical. Greater dissemination efforts by OPEV may be necessary since the transparency of OPEV findings is only considered to be high or very high by only 60% of opinion survey respondents. Finally, an important dimension of behavioral independence has to do with the degree to which the evaluation program is developed and implemented without management interference or budget restrictions. OPEV's freedom from management restrictions is rated as high and very high by only 44% of opinion survey respondents for evaluation programming and only 40% for budgeting.

3.3 Protection from Outside Influence

3.3.1 Evaluation can be hindered by management through active or passive interference in the conduct of OPEV evaluations, the funding of its work, etc. Rightly or wrongly, the notion that OPEV is not fully protected from management influence lingers among a significant group of opinion survey respondents. Once again, the budget and personnel

²² Only ten OPEV reports are accessible to the public in the Bank's website by September 22, 2005 (seven of which are labeled confidential), approximately one third of the reports that "have been distributed to the Board" and that should therefore be available to the public according to the Bank's policy on disclosure of information. The SEAS were informed that OPEV is in the process of uploading the remaining documents in the website.

interface between the executive directors and Bank management emerges as the most sensitive.

3.3.2 Almost 70% of opinion survey respondents consider that OPEV's latitude in the design and execution of its evaluations is very high or high. On the other hand, the perception that OPEV's freedom to disclose its findings to the public is high or very high is held by only 44% of the respondents; freedom from external influences on evaluation judgment is rated high or very high by 48% of the respondents; while freedom from funding constraints and freedom of the head of evaluation to hire, fire, promote and remunerate OPEV staff is rated as high and very high by only 28% and 31% of respondents, respectively.

3.4 Conflicts of interest

3.4.1 Providing a wide range of stakeholders with an opportunity to comment on the findings of an evaluation helps to correct evaluator bias. Participatory evaluation methods whereby beneficiaries of Bank interventions and civil society representatives contribute to the evaluation add to its quality and transparency. But in addition good practice standards require evaluation managers and staff to be excluded from evaluating programs, activities or entities that might involve a conflict of interest or create the perception that current or past associations and/or activities (whether personal or professional) could impair the objectivity and integrity of the evaluation process.

3.4.2 The "Code of Conduct" for Bank staff provides a measure of protection against official, professional, financial and family circumstances that might compromise the integrity and impartiality of evaluations. But it does not address the conflicts of interest faced by evaluation staff and/or consultants who have been associated with the decisions associated with the design, financing or execution of programs and projects being evaluated. While OPEV appears to have followed the precept that precludes staff or consultants to evaluate operations in which they have been involved, no written guideline exists. Remarkably, more than half of opinion survey respondents did not know whether such a guideline exists or mistakenly thought that it did, perhaps because they had judged the Code of Conduct to represent a sufficient safeguard.

4. What are the implications of greater independence ?

4.1 This section draws the implications of the above diagnostic. It addresses specific operational and structural issues that are connected to the quality, impartiality and independence of OPEV's work and were identified in the terms of reference of this review.

How appropriate is the delineation between self-and independent evaluation?

4.2 Conceptually, the delineation between independent and self-evaluation practiced within the African Development Bank is appropriate. Making operational staff accountable for the production of project completion reports (PCRs) and entrusting OPEV with the task of independent verification of their quality (combined with field based performance evaluations on a sample basis) is in line with good practice among the MDBs. What is missing is a consensus among senior managers and staff about the rationale and importance of independent and self evaluation from a corporate perspective.

4.3 All too often, operational managers and staff conceive of PCRs as an administrative chore rather than as an opportunity to focus on results and learn from experience. In contrast to quality at entry that is widely viewed as perceived as a critical responsibility of country and sector departments, the notion that operational managers are accountable for the 'quality at exit' of their portfolios (let alone the sustainability of Bank financed operations) does not seem to be widespread. PCRs are treated as an 'add on' rather than an integral part of the lending cycle.

4.4 PCRs are widely perceived as implementation reporting documents rather than as development evaluation tools used to assess the broad development impact of Bank financed operations and to learn from experience. To be sure, PCRs have an accountability dimension but their findings are also valuable for the design of new projects. On both grounds they should receive adequate priority in the allocation of budgetary resources and they should attract quality staff. Currently, most PCRs are prepared by consultants with limited management oversight.

4.5 During interviews conducted with the SEAs, the limited relevance of PCRs for 'old projects' was repeatedly highlighted. It was alleged that changed economic conditions and policy priorities rendered PCRs for such projects of limited relevance. Yet, the cohorts of aged projects encompass projects that could be selected to evaluate the sustainability and development impact of Bank financed operations. Indeed, the PCR reduction effort provides a unique opportunity to gain a better understanding of development dynamics in Africa through a cooperative effort involving borrowing country institutions, country and sector departments as well as research personnel and OPEV staff.

4.6 Paradoxically, the decline in the number of PCRs has led to a corresponding decline in the number of PPEs thus amplifying the evaluation gap: a 25% ratio between the number of PCRs and the number of OPEV performance evaluations has been set. This is the ratio used within the World Bank. However, the World Bank applied a higher ratio (75% and 45%) when a backlog prevailed and the quality of PCRs was weak. The ratio was only brought down to 25% in consultation with the Board once the backlog had been dealt with and after a formal review of PCR performance that concluded that PCR quality warranted an adjustment. Today, at the African Development Bank, a share of PPEs to PCRs substantially higher than 25% would be amply justified.

4.7 Most operational staff interviewed confirmed their support for a strong and independent evaluation function. They noted that the new line of OPEV products (country evaluations, sector evaluations and studies of operational processes) was more visible and influential than project level outputs. However, they expressed frustration with the limited amount of interaction between OPEV staff and operational staff. They stressed that the provision of comments by operational staff at various stages of OPEV draft processing should not be perceived as a threat to independence but rather as an opportunity to enhance the quality and acceptance of OPEV work.

4.8 Operational staff also noted that OPEV has a comparative advantage in the synthesis of evaluation findings and their timely and targeted dissemination. They felt that this potential was not being tapped and that 'just in time' OPEV intervention at the project pre-appraisal stage to inject lessons learnt and advice on monitoring and evaluation would be an excellent way of disseminating OPEV's valuable knowledge to operational staff. They also

recommended more systematic efforts to involve borrower staff and project beneficiaries in the independent evaluation process.

How fitting are the roles and responsibilities at the different levels?

4.9 CODE stands at the apex of the independent evaluation function since it is the instrument the executive directors have chosen to monitor the activities of OPEV, to advise the Board about the adequacy and efficacy of the evaluation system, to ensure that the lessons of experience are fed back into policies and procedures and to assist the Board in monitoring the Bank's progress towards its strategic objectives. It follows that CODE is answerable for the independence and excellence of the evaluation function.

4.10 To this end, CODE should meet as often as necessary to carry out its functions and it should insist on appropriate management representation at its meetings. It should act as guardian of OPEV's independence. In concert with the Committee of the Whole, it should ensure that the department has an adequate budget to carry its work. Finally, it should see to it that the self evaluation system is upgraded and it should task OPEV to track the responses and the implementation of agreed actions by management²³. But it should not interfere with the conduct or content of evaluation reports.

4.11 Within OPEV, it is urgent to create a management structure that allows the head of the unit to devote sufficient time to strategic issues, programming, evaluation outreach and oversight of quality assurance. This should be combined with a comprehensive revision of independent and self-evaluation guidelines in consultation with operational managers and staff and under the aegis of CODE.

How appropriate is the reporting requirement and what are the strengths and weaknesses?

4.12 Neither management responses to OPEV recommendations nor monitoring of follow up actions by senior management and CODE have taken place on a regular basis. This is at variance with auditing practices within the Bank where management actions in response to audit findings are systematically recorded and periodically reviewed by the committees concerned. The lack of a "management action record" for OPEV recommendations contrasts with good evaluation practice among the MDBs.

4.13 OPEV prepares quarterly activity reports. This is not a mandatory reporting requirement but a practice that has been adopted by OPEV²⁴. Despite their value for internal management their opportunity cost may not seem justify the time invested in their dissemination. On the other hand, an annual report on the outcomes of OPEV work (rather than simply a record of its on-going activities) should be an integral part of an Annual

²³ CODE members should make fuller use of OPEV's work including for Board deliberations in which country strategies, operational policies and new operations are discussed, this would signal to staff the importance of independent evaluation and would create an incentive for OPEV to do relevant work.

²⁴Until recently (2005) the activity reports were sent to the President rather than CODE.

Report on Operations Evaluation by the head of OPEV that attests to the adequacy of progress made in the overall independent and self-evaluation system.

Is the level and extent of consultation on evaluation products adequate and have these consultations threatened its independence?

4.14 There is no evidence that consultations have threatened OPEV's independence. Rather, the interactions between OPEV and operational staff should be intensified in order to ensure ownership of evaluation results by operational staff and to accelerate the application of lessons learnt. The level and extent of consultation could be increased by using entry and exit workshops for major evaluations. More use of high level advisory panels could also pave the way for higher quality work and better outreach towards the broader development community.

4.15 The country and sector managers that participated in focus groups were unanimous in their desire to learn from experience and in their dismay at the "invisibility" of OPEV at the working level. They stressed the importance of user friendly, "just in time" methods of dissemination and suggested that a data base of evaluation lessons should be created by OPEV so that it is accessible electronically by task managers, "on demand".

How actual Bank procedures followed by the Bank (staff promotion, salary setting and adjustment) and OPEV (procurement, relations with operations) affect OPEV's independence?

4.16 Being a Bank unit, OPEV should be subject to all the personnel policies and procedures of the Bank including those that govern the procurement of consulting services. Indeed, the OPEV Director should be responsible for all personnel decisions affecting his staff and he/she should be accountable to CODE for compliance with Bank-wide personnel policies. However, the nature of evaluative work is such that there is also need for proactive management support for reassignment of staff into and out of OPEV as well as explicit safeguards to ensure the protection of OPEV staff from overt or covert retaliation by those who may consider that they have been negatively affected by an evaluation and could have a say in decisions concerning the promotion or salary adjustment of OPEV staff and/or managers involved in such evaluations.

What is the appropriate role of OPEV regarding feedback, management committees, etc.?

4.17 Independence is not isolation. As is the practice in the World Bank and the Asian Development Bank, it is entirely appropriate for the OPEV Director to participate in senior management meetings and senior management committees. This is mutually beneficial as it facilitates the transmission of lessons of experience and keeps OPEV current about institutional priorities and policy developments. Equally, feedback of lessons learnt in similar projects prior to project appraisal, assistance to operational staff regarding the monitoring and evaluation components of projects and collaboration with operational staff in evaluation capacity development as part of public sector management programs should not impair the independence of OPEV, subject to scrupulous application of conflict of interest rules.

What is the appropriate level of the use of external inputs into the evaluation process?

4.18 External inputs that can help fill OPEV's skills gaps, secure the experience of partner institutions and gain access to up-to-date evaluation knowledge and methods need not affect the impartiality or objectivity of evaluations. Well managed, they can even enhance the independence of evaluations and their quality. On the other hand, the quality of all independent evaluation work contracted to consultants should be the responsibility of OPEV. Thus, individual OPEV staff members should be made accountable for the quality of the work carried out by individual consultants and consulting firms.

How useful and effective are joint evaluations in enhancing evaluation independence?

4.19 So far the experience with joint evaluations is quite limited and they have had no significant effect (either positive or negative) with respect to evaluation independence. In principle, joint evaluations should reduce costs for the evaluation partners. In practice, this has rarely been the case given the differences in evaluation approaches and methods among partners. Thus, further harmonization in evaluation methods and criteria is needed to achieve the full benefits of joint evaluations. Parallel evaluations (e.g. in country assistance evaluations) have allowed some reduction of transaction costs from the perspective of the borrower and they have also facilitated transfer of evaluation experience among evaluation partners. Further experimentation with regard to evaluation partnerships should be explored, e.g. in the context of evaluation capacity development activities or in the application of randomized control trial approach to impact evaluation.

5. What is to be done?

5.1 This review of evaluation independence was conducted at a propitious time in the life of the institution. The resources of the institution have been replenished. The on-going and pragmatic decentralization to country offices and the hiring of local staff should generate new energies, capture new synergies and mobilize resources for more coherent approaches to country programming as well as greater harmonization of lending practices among development partners.

5.2 Development effectiveness has moved to centre stage in the operational strategies of the African Development Bank according to recent statements by the new President. Given the heightened priority accorded to results, excellence and independence in evaluation form an integral part of the renewal program of the Bank. Increasingly, borrowing countries will be in the "driver seat" of Bank financed programs and projects. Hence, they should be called upon to play a more active role in evaluation. Equally, evaluation capacity development should become more prominent role in OPEV's program.

5.3 In what follows, we propose some changes in the framework and modalities of independent evaluation. They are designed to enhance the rigor, objectivity and impartiality of OPEV while at the same time narrowing the professional distance between evaluators and operational departments. If adopted by CODE, they should bring the Bank closer to the good practices of its comparator organizations while respecting its distinctive character and its legal traditions. The ultimate objective is better development results through increased

accountability and organizational learning. Since the agenda of reform is demanding, implementation of the recommendations will require careful sequencing and a road map will have to be drawn to help monitor progress and implement mid-course corrections.

Reporting

5.4 Greater clarity in OPEV's reporting relationship to the Board through CODE is needed to eliminate perceptions of undue influence over the workings of OPEV. This should not preclude OPEV's direct access to the President but the link should be advisory rather than administrative and it should be used to provide senior Bank management with guidance regarding operational quality and development effectiveness. The proposed change would be consistent with the pattern adopted by other MDBs (World Bank, Asian Development Bank, Inter-American Development Bank) where the bifurcated reporting responsibility has been replaced by a single reporting line to the executive directors.

5.5 The new reporting relationship should not be allowed to affect OPEV's compliance with the Bank's budget and personnel policies. However, conformity with institutional standards would become the responsibility of the OPEV head acting under the oversight of CODE and in close consultation with the Vice Presidents in charge of the budget and of human resources. The OPEV budget would be "ring fenced" and budget arbitration achieved through interaction between management, CODE and the Committee of the Whole upstream of the final presentation of the annual budget proposals to the Board.

5.6 Finally, CODE should protect OPEV's independence and the integrity of the evaluation process without interfering with the conduct or content of evaluations.

Appointment of evaluation head

5.7 The *appointment* of the head of OPEV should be a Board responsibility based on a joint recommendation of CODE and Bank management. Only the Board of Directors should be authorized to divest the head of independent evaluation from his/her functions. While renewal should not be automatic, the circumstances of *removal* prior to the end of an approved term should be narrowly defined and care should be taken not to leave the position vacant for any length of time even if this means allowing an incumbent to stay behind his/her regular retirement date. Other privileges and responsibilities of the OPEV head should be identical to those applicable to senior Bank managers.

5.8 The modalities of selection of the OPEV head should be compatible with the Bank's charter and reflect good practice among the MDBs. For credibility as well as for securing the best possible person for the position, an effective process would have the following characteristics. It would involve transparent selection criteria and the vacancy would be advertised internationally. While internal candidates would not be ruled out, the search would be global and managed by a reputable outside firm contracted by the Human Resources Vice Presidency. Interviews of the short listed candidates would involve CODE members and senior managers and the finalists would be interviewed by the CODE chair and the President.

Status of evaluation head

5.9 The *grade* of the OPEV head position should reflect the importance, complexity and sensitivity of the function. It should be set after due consideration of the practices followed in other MDBs as well as a fair comparison between the content of the OPEV Head accountabilities in comparison with those of other senior managers, especially those in corporate oversight and control functions. As in the past, sufficient flexibility should be allowed to attract and retain high caliber and experienced candidates from within and outside the Bank²⁵.

5.10 Finally, a change in the *title* of the OPEV head to Director General would be warranted to signal the strengthened independence of the function within the organization. This would achieve parallelism with a change currently under consideration for the internal auditor function and it would mirror World Bank practice and the recent change in title of the evaluation head at the Asian Development Bank.

Access to information

5.11 Unfettered access to the staff and the records of the Bank is critical to the quality of independent evaluation. Inertia more than outright resistance characterizes the problems faced by OPEV staff in securing information and gaining access to government officials and other sources of information in borrowing countries. In line with good evaluation practice among the MDBs, an explicit Presidential instruction (or a provision within the official OPEV mandate) is required to make clear that OPEV is entitled to “unrestricted access to the staff and records of the Bank, relevant to the exercise of its function” and that Bank managers and staff should “facilitate visits to project sites and meetings with client, partner and government representatives”.

Conflicts of interest

5.12 While an unwritten convention regarding OPEV work appears to have avoided major embarrassment so far, the lack of a transparent procedure in place to protect against conflicts of interest (and/or their perception) in evaluation creates needless reputational risks. A conflict necessarily arises if staff and/or consultants that have participated in decision making connected to the funding or implementation of Bank financed programs and projects are entrusted with the evaluation of the same activities or entities. The Bank’s “Code of Conduct” protects against a wide range of conflicts of interest but not against those that are specific to evaluation. An explicit OPEV instruction and/or an addition to the Code of Conduct should be prepared by OPEV in consultation with other senior Bank managers and the General Counsel and it should be approved by CODE before it comes into force.

Behavioural independence

5.13 Though OPEV’s reports frequently address shortcomings of the Bank’s work, evaluation judgments are often couched in excessively “diplomatic” language that obfuscates their true meaning. Evaluation ratings have not been rigorously or consistently applied and evaluation recommendations have often been too vague to be acted upon or to facilitate

²⁵ While the current Director is currently at the EL4 grade, his predecessor enjoyed a personal EL3 grade.

monitoring of their implementation. Transparency has been lacking in terms of timely public disclosure of OPEV documents, the accuracy of their labelling, the lack of dissenting footnotes and other written comments by borrowers, Bank management and CODE and the absence of written management responses and OPEV comments on them.

5.14 Remedying this state of affairs is primarily OPEV's management responsibility but CODE should see to it that action is taken. Specifically, evaluation guidelines should be prepared, training provided and internal quality assurance systems should be strengthened to ensure that: (i) all evaluations are written in a straightforward style, (ii) the quality of their recommendations is enhanced; (iii) OPEV's evaluation ratings are made rigorous, consistent and fair, (iv) stakeholders are encouraged to comment on OPEV reports; (v) management responses are tracked; (vi) OPEV reports are promptly disclosed and posted on the web without a confidential label.

Self evaluation

5.15 The extent of the PCR backlog, the alarming trends in PCR backlog and the lack of self-evaluation of non lending services, country strategy papers and sector policies suggest that self evaluation is considered a bureaucratic "add on" rather than an integral part of quality management and organizational learning in the Bank.

5.16 A comprehensive review of the self evaluation system is overdue. It should address quality assurance processes, the filling of evaluation gaps, the elimination of the PCR backlog and the utilization of lessons of experience. Proactive involvement of senior managers and operational staff in the design of a revamped self evaluation system (e.g. through a joint OPEV-management task force) would help internalize the need for reform.

5.17 To help solve the PCR backlog, senior management leadership is essential. In addition, a variety of incentives could be used, e.g. linking new lending to a country to a credible plan for reducing the country PCR backlog; restricting the fungibility of PCR budget allocations; providing staff with special recognition for high quality PCRs, involving local professionals and/or country based institutions in the preparation of PCRs, etc. But over the long run, the only sustainable solution would be a cultural shift that would change perceptions and conceive of the PCR backlog as a knowledge creation opportunity. This would induce operational managers to explore innovative ways of dealing with PCRs, including lumping completed projects together in meaningful clusters in the context of country and sector strategy formulation, involving local staff and borrowing countries' officials in the reporting process and forging alliances between OPEV, research and risk management departments, especially for impact assessments of the older cohorts.

5.18 Finally, OPEV should continue the important work that it recently started in assessing the quality of PCRs. It should report periodically to CODE on progress in PCR quality, the reduction of the PCR backlog and the "disconnects" between supervision ratings, PCR ratings, PCR notes and PPEs, by country and sector.

Review of the Independence of the Operations
Evaluation Department (OPEV) of the African Development Bank

Terms of Reference for Consultancy Services

1. Introduction

- 1.1 The Bank has been undertaking evaluations of its development assistance, processes and procedures for many years now with the Operations Evaluation Department (OPEV) playing the key – but not the only – role in the evaluation process.
- 1.2 Evaluation by the management of programs and projects is known as self-evaluation and consists mainly in regular follow-up and technical supervision of project under implementation and terminal evaluation by the preparation of project completion reports. The management may carry out self-evaluation activities by using internal staff or external consultants. Evaluation undertaken by OPEV is known as independent evaluation. Independent evaluations of policies, strategies, operations and processes are undertaken by OPEV on behalf of the Committee of Operations and Development Effectiveness (CODE), a sub committee of the Board of the African Development Bank.
- 1.3 OPEV functions independently from the operational departments to provide objectivity and credibility to the post-evaluation process. It operates in line with internationally accepted principles for the evaluation of development assistance. One of the key principles is that the evaluation process should be impartial and independent from both the policy-making process and the delivery and management of development assistance. The independence of OPEV is thus largely conditioned by the corporate culture and the internal organizational framework.
- 1.4 At its meeting of 11 October 2004, CODE discussed the report on the ‘Retrospective of the Evaluation Function in the Bank and the Three-Year Rolling Work Program of the Operation Evaluation Department’. In the course of the discussions, Board members underlined the importance of the independence and impartiality of evaluation activities in the Bank and requested that OPEV undertake an independent review on the status of its independence.
- 1.5 The proposed review is intended to help CODE assess the current status of the impartiality and independence of the department. This in turn will allow it to address perceived or real concerns, if any, regarding objectivity, impartiality and independence.

1.6 Other Multilateral Development Banks have conducted similar review of the independence of their evaluation function. The Templates and criteria applied have been typified and adopted by the Evaluation Capacity Group (ECG) composed by the World Bank and the four regional Banks (African Development Bank, Asian Development Bank, Inter-American Bank, European Bank for Reconstruction and Development), the European Investment Bank and the IMF. The ECG Template with its indicators is attached.

2. Scope of the study

2.1 The review shall be detailed to include a thorough analysis of every aspect of the department's impartiality and independence. Any analysis or recommendation should be justified and compared with the practice in sister institutions. This will include but not be limited to the following two areas:

A. Established Functional Responsibilities, Processes and Methods

To what extent are the current functional responsibilities, systems and methods adequate for maintaining OPEV's impartiality and independence? This will lead to issues of:

- What are the strengths and limitations of independent evaluation in the Bank?
- How appropriate is the delineation between self-and independent evaluation?
- How fitting are the roles and responsibilities at the different levels?
- How appropriate is the reporting requirement and what are the strengths and weaknesses?
- Is the level and extent of consultation on evaluation products adequate and has these consultations threatened its independence?

B. OPEV's independence through its internal and external relationships

This will entail issues such as:

- How actual Bank procedures followed by the Bank (staff promotion, salary setting and adjustment) and OPEV (procurement, relations with operations) affect OPEV's independence?
- What will be the appropriate level of engagement of OPEV feedback on lessons, participation in senior management committees, etc. without losing its independence?

- What will be the appropriate level of the use of external inputs into the evaluation process? and
- How useful and effective are external or joint evaluations in enhancing its independence?

2.2 These two areas will be assessed in relation to the ECG Template thus facilitating further benchmarking against the Good Practice Standards and criteria already set by the Evaluation Cooperation Group.

3. Methodology

3.1 The independence of the Operations Evaluation Department (OPEV) will be reviewed against the dimensions contained in the ECG template, which relate to the Bank's organizational framework. They are:

- *Organizational independence*
- *Behavioral independence*
- *Avoidance of conflict of interest*
- *Protection from external influence*

3.2 The range of aspects under each of these criteria should be looked at through the use of relevant indicators as highlighted in the ECG template attached.

3.3 The evidential base for the review shall be a combination of desk reviews and interviews. The review of documentation will include background material from the Bank and sister institutions including documentation on evaluation from other members of the MDBs Evaluation Cooperation Group. Substantial supporting documentation within the Bank will be provided by OPEV. The interviews will be with staff, management, the Board, partner institutions and key stakeholders.

3.4 The review of documentation will also form the basis for a comparative analysis of the functional responsibilities, processes, methods and relationships regarding independence for the evaluation units of other MDBs.

4. Indicative Work Plan

The indicative total duration of the assignment is 5 weeks. The Consultant is requested to provide an indicative time schedule for the delivery of the Report.

5. Obligations

a) Obligation of the consultant

5.1 The selected consultant shall take all the necessary steps to ensure that the entrusted task is executed properly and on schedule in accordance with the established terms of reference. The selected consultant shall:

- Undertake to perform the task in accordance with the terms of reference and according to internationally accepted standards; and
- Maintain a complete list of sources of information used, and surrender all documents to the Bank at the end of the study.

b) Obligation of the ADB

5.2 The ADB shall provide the consultant with suitable office space and shall provide him (her) with available documents and reports needed to carry out the study. The Bank shall facilitate the study contacts as well as access to information essential to the proper implementation of the study.

ECG Template for Independence of Evaluation Organizations

Criterion	Aspects	Indicators
I. Organizational independence	The structure and role of evaluation unit	Whether the evaluation unit has a mandate statement that makes clear its scope of responsibility extends to all operations of the organization, and that its reporting line, staff, budget and functions are organizationally independent from the organization’s operational, policy, and strategy departments and related decision-making
	The unit is accountable to, and reports evaluation results to, the head or deputy head of the organization or its governing Board	Whether there is a direct reporting relationship between the unit, and a) the Management and/or b) Board o c) relevant Board Committee, of the institution
	The unit is located organizationally outside the staff or line management function of the program, activity or entity being evaluated	The unit’s position in the organization relative to the program, activity or entity being evaluated
	The unit reports regularly to the larger organization’s audit committee or other oversight body	Reporting relationship and frequency of reporting to the oversight body
	The unit is sufficiently removed from political pressures to be able to report findings without fear of repercussions	Extent to which the evaluation unit and its staff are not accountable to political authorities, and are insulated from participation in political activities
	Unit staffers are protected by a personnel system in which compensation, training, tenure and advancement are based on merit	Extent to which a merit system covering compensation, training, tenure and advancement is in place and enforced
	Unit has access to all needed information and information sources	Extent to which the evaluation unit has unrestricted access to the organization’s a). staff, records, and project sites; b). co-financiers and other partners, clients; and c). programs, activities, or entities it funds or sponsors
	II. Behavioral Independence	Ability and willingness to issue strong, high quality, and uncompromising

Criterion	Aspects	Indicators
	<p>reports</p> <p>Ability to report candidly</p> <p>Transparency in the reporting of evaluation findings</p> <p>Self-selection of items for work program</p> <p>Protection of administrative budget, and other budget sources, for evaluation function</p>	<p>appropriate safeguards to protect confidential or proprietary information and to mitigate institutional risk) of the lessons from the organization’s programs and activities;</p> <p>b). proposes standards for performance that are in advance of those in current use by the organization; and c). critiques the outcomes of the organization’s programs, activities and entities</p> <p>Extent to which the organization’s mandate provides that the evaluation unit transmits its reports to the Management/Board after review and comment by relevant corporate units but without management-imposed restrictions on their scope and comments</p> <p>Extent to which the organization’s disclosure rules permit the evaluation unit to report significant findings to concerned stakeholders, both internal and external (within appropriate safeguards to protect confidential or proprietary information and to mitigate institutional risk).</p> <p>Who determines evaluation unit’s disclosure policy and procedures: Board, relevant committee, or management.</p> <p>Procedures for selection of work program items are chosen, through systematic or purposive means, by the evaluation organization; consultation on work program with Management and Board</p> <p>Line item of administrative budget for evaluation determined in accordance with a clear policy parameter, and preserved at an indicated level or proportion; access to additional sources of funding with only formal review of content of submissions</p>
III. Protection from outside interference	<p>Proper design and execution of an evaluation</p> <p>Evaluation study funding</p> <p>Judgments made by the evaluators</p>	<p>Extent to which the evaluation unit is able to determine the design, scope, timing and conduct of evaluations without Management interference</p> <p>Extent to which the evaluation unit is unimpeded by restrictions on funds or other resources that would adversely affect its ability to carry out its responsibilities</p> <p>Extent to which the evaluator’s judgment as to the appropriate content of a report is not subject to overruling or influence by an external authority</p>

Criterion	Aspects	Indicators
	<p>Evaluation unit head hiring/firing, term of office, performance review and compensation</p> <p>Staff hiring, promotion or firing</p> <p>Continued staff employment</p>	<p>Mandate or equivalent document specifies procedures for the</p> <p>a). hiring, firing, b). term of office, c). performance review, and d). compensation of the evaluation unit head that ensure independence from operational management</p> <p>Extent to which the evaluation unit has control over :</p> <p>a). staff hiring, b). promotion, pay increases, and c). firing, within a merit system</p> <p>Extent to which the evaluator’s continued employment is based only on reasons related to job performance, competency or the need for evaluator services</p>
<p>IV. Avoidance of conflicts of interest</p>	<p>Official, professional, personal or financial relationships that might cause an evaluator to limit the extent of an inquiry, limit disclosure, or weaken or slant findings</p> <p>Preconceived ideas, prejudices or social/political biases that could affect evaluation findings</p> <p>Current or previous involvement with a program, activity or entity being evaluated at a decision-making level, or in a financial management or accounting role; or seeking employment with such a</p>	<p>Extent to which there are policies and procedures in place to identify evaluator relationships that might interfere with the independence of the evaluation; these policies and procedures are communicated to staff through training and other means; and they are enforced</p> <p>Extent to which policies and procedures are in place and enforced that require evaluators:</p> <p>a). to assess and report personal prejudices or biases that could imperil their ability to bring objectivity to the evaluation; b). and to which stakeholders are consulted as part of the evaluation process to ensure against evaluator bias</p> <p>Extent to which rules or staffing procedures that prevent staff from evaluating programs, activities or entities for which they have or had decision-making or financial management roles, or with which they are seeking employment, are present and enforced</p>

Criterion	Aspects	Indicators
	<p>program, activity or entity while conducting the evaluation</p> <p>Financial interest in the program, activity or entity being evaluated</p> <p>Immediate or close family member is involved in or is in a position to exert direct and significant influence over the program, activity or entity being evaluated</p>	<p>Extent to which rules or staffing procedures are in place and enforced to prevent staff from evaluating programs, activities or entities in which they have a financial interest</p> <p>Extent to which rules or staffing procedures are in place and enforced to prevent staff from evaluating programs, activities or entities in which family members have influence</p>

Sources: U.S. General Accounting Office, *Government Auditing Standards*, Amendment 3 (2002); OECD/DAC Working Party on Aid Evaluation, *Glossary of Key Terms in Evaluation and Results Based Management* (2002); OECD/DAC, *Principles for Evaluation of Development Assistance* (1991); INTOSAI, *Code of Ethics and Auditing Standards* (2001); Institute of Internal Auditors, *Professional Practices Framework* (2000); European Federation of Accountants, *The Conceptual Approach to Protecting Auditor Independence* (2001); Danish Ministry of Foreign Affairs, *Evaluation Guidelines* (1999); Canadian International Development Agency, *CIDA Evaluation Guide* (2000).

Results of the Opinion Survey

1. Along with professional excellence and adequate resources, independence is an essential characteristic of sound and credible evaluation. Drawing on the good practice standards of official audit and evaluation agencies criteria, four major dimensions of evaluation independence have been recognized by the Evaluation Cooperation Group (ECG) of the Multilateral Development Banks: (i) organizational independence; (ii) behavioural independence; (iii) protection from external influence and (iv) avoidance of conflicts of interest.
2. A survey questionnaire based on these criteria was designed and sent to executive directors, senior managers, middle managers, operational staff and OPEV staff. Out of 135 questionnaires, 26 valid responses were received. Since the number of responses to the questionnaire was relatively small and the response rate relatively low -- a little short of 20% -- the results of the opinion survey reported in this section should be interpreted with caution.
3. Some of the perceptions reflected in the responses lag behind new initiatives and actual achievements, e.g. many respondents were unaware of the recent improvements in OPEV's report quality or of the full disclosure now intended for its reports.
4. Nevertheless, the seniority of most respondents, the high quality of their responses and the congruence of survey results with the views expressed in interviews and focus groups confirm that the survey results should be given full consideration especially since evaluation independence is largely a matter of perception.
5. The results have been tabulated below to show the percentages of responses that fall in various categories. The rankings are as follows 1: very low; 2 low; 3: marginal; 4: moderate; 5 high; 6: very high.

1. Organizational independence

	Importance for independence of evaluation	Degree to which OPEV meets criterion
Official mandate makes clear that OPEV's reporting, staff and budget are independent from other departments and from line management	6: 54 % 5: 38 % 4: 4 % 3: 4%	6: 8%; 5: 28%; 4: 48 %; 3: 4%; 2: 8%; 1: 4 %
The unit reports to the executive directors rather than the management of the Bank	6: 69% 5: 15% 4: 12% 3: 4%;	6: 42%; 5: 19%; 4: 23 %; 3: 12%; 2: 4%;
The unit is organizationally located outside the line and staff functions that OPEV is mandated to evaluate	6: 69%; 5: 15%; 4: 12%; 3: 0%; 2: 4%;	6: 38%; 5: 31%; 4: 19%; 3: 4% 2: 4% 1: 4%
The unit is removed from political pressures so that it can report findings without fear	6: 56%; 5: 40%; 4: 4%; ;	6: 13%; 5: 38%; 4: 41%; 3: 8%
Unit staff protected through independent processes for performance assessment, promotion, etc.	6: 48%; 5: 32%; 4: 4%; 3: 12% 2: 4%	6: 0%; 5: 27%; 4: 40%; 3: 23% 2: 10%
Full, unrestricted access to information and documentation	6: 64%; 5: 28%; 4: 4%; 3: 4%	6: 38%; 5: 31%; 4: 19%; 3: 4% 2: 4%

Behavioral independence

2. Percentages of responses that most closely reflect the perception of the extent to which OPEV is able and willing to issue strong, high quality and uncompromising reports

Never	Very rarely	Rarely	Occasionally	Often	Very often
		4%	32%	44%	20%

3. Percentages of responses that most closely reflect the perception of the extent to which OPEV reports candidly and transmits its reports to management and the executive directors without management restrictions on their scope and content.

Pervasive and serious restrictions	Frequent restrictions	Occasional restrictions	Rare restrictions	Very rare restrictions	Never any restriction
		4%	38%	38%	20%

4. Percentage of responses about OPEV’s freedom to report transparently on its findings.

None	Poor	Marginal	Moderate	High	Very high
	4%	4%	32%	52%	8%

5. Percentage of responses about the extent to which evaluation programming is subject to restrictions, whether formal or informal.

Pervasive and serious restrictions	Frequent restrictions	Occasional restrictions	Rare restrictions	Very rare restrictions	Never any restriction
	4%	22%	30%	22%	22%

6. Percentage of responses about the extent to which the budget instrument is being used by management to influence or restrain evaluation.

Never	28%
Very rarely	12%
Rarely	12%
Occasionally	28%
Frequently	16%
Always	4%

Protection from outside interference

7. Perceptions of OPEV freedom from active or passive interference by management in the conduct of OPEV evaluations, the funding of its work, etc. 1: very low; 2 low; 3: marginal; 4: moderate; 5 high; 6: very high.

Freedom in design and execution of evaluations 6: 38%; 5: 31%; 4: 23% 3: 8%
Freedom to disclose evaluations to the public 6:12%; 5: 32%; 4: 40%; 3: 12%; 2: 0%; 1: 4%
Protection from external influence on evaluation judgment 6: 16%; 5: 32%; 4: 36%; 3: 8%; 2: 8%
Freedom from funding conditions and constraints within the budget policies of the institution 6: 8%; 5: 20%; 4: 32%; 3: 20%; 2: 16%; 1: 4%
Freedom by head of evaluation unit to hire, fire, assess performance, promote and remunerate OPEV staff within personnel policies of the institution 6: 5%; 5: 26%; 4: 17%; 3: 9% 2: 13% 1: 30%

Avoidance of conflict of interest

8. Percentages of perceptions as to whether OPEV has policies and procedures in place to ensure that evaluators and evaluation managers are excluded from evaluations in cases of conflict of interest.

	Yes	No	Do not know
Adequate conflict of interest rules are in place and implemented by OPEV	44%	30%	26%

Persons Interviewed

Executive Directors and Senior Managers

1.	Mrs. WIIG Aud Marit	Executive Director
2.	Mr. ARSENAULT François	Executive Director
3.	Mr. KAMANO, Eric	Exec. Director's Assistant
4.	Mr. BOUCHER Chanel	Vice-President, PRVP
5.	Mr. NKODO Theodore	Vice-President, ONVP
6.	Mr. OGUNJOBI Olabisi	Vice-President, OCPV
7.	Mr. KANE Ousmane	Vice-President, CMVP
8.	Mr. KIFLE Henock	Chief Economist,
9.	Mr. FALL Cheikh Ibrahima	Secretary-General, SEGL
10.	Mr. AKIN-OLUGBADE Adesegun	General Counsel, GECL
11.	Mr. TURNER, T.	Director, FFMA

OPEV

12.	Mr. GIORGIS, Getinet	Director, OPEV
13.	Mr. MANAI, M.H	Chief Evaluation Officer, OPEV
14.	Mr. N'DIAYE Eric	Chief Evaluation Officer, OPEV
15.	Mr. AKLILU Afework	Principal Evaluation Officer,
16.	Mr. RAZAFINDRAMANANA H.	Principal Evaluation Officer,
17.	Mr. COKER Athanasius	Principal Evaluation Officer
18.	Mr. GAKUSI Albert-Enéas	Principal Evaluation Officer
19.	Mr. ROCHON Paul-André	Principal Evaluation Officer
20.	Mr. BYARUHANGA William	Consultant, OPEV
21.	Mrs. KHORSI Zahia	Consultant, OPEV
22.	Mr. MADHUSOODHANAN, M.	Consultant, OPEV

Country Operations

23.	Mr. OLANREWaju Stephen	Division Manager, ONCB.2
24.	Mr. ANUSIONWU Emmanuel	Division Manager, OCC.1
25.	Mr. LARBI Ezzedine	ONCF
26.	Mr. MURANGO Anselme	OCCW.2

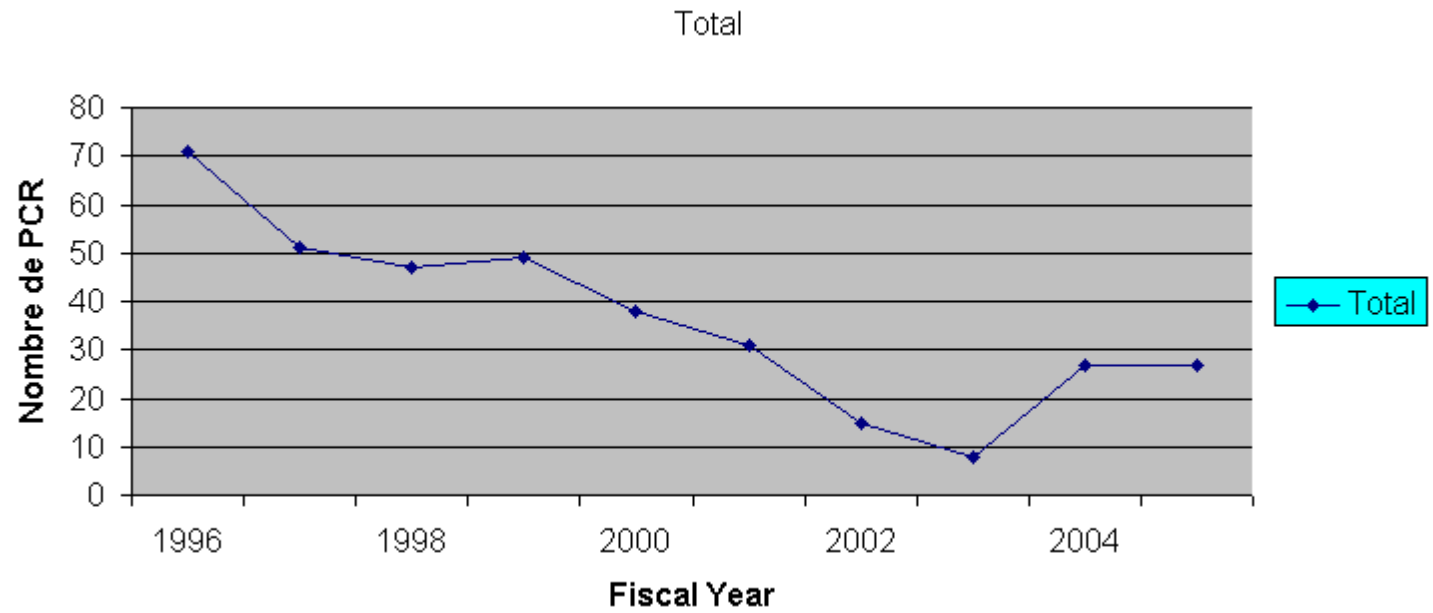
Sector Operations

27.	Mr. KOMENAN André-Gervais	Division Manager, ONSD.1
28.	Mr. RWAMABUGA Juste	Division Manager, ONIN
29.	Mr. YOUSOUF Mohamed Mahdi	Division Manager, OCSD.1
30.	Mr. JOHM B. Ken	Chief Agric. Economist, ONAR.2
31.	Mr. OMOLUABI A. Charles	ONAR.1
32.	Mr. BOULENGER Xavier	OCAR 1

PCR Delivery and Backlog

Number of PCRs Submitted to the Board by Fiscal Year

Count of Document Title	
FYEAR	Total
1996	71
1997	51
1998	47
1999	49
2000	38
2001	31
2002	15
2003	8
2004	27
22/8/2005	27
Grand Total	364



Comparison of Evaluation Budget of AfDB/OPEV, IDB/OVE and AsDB/OED

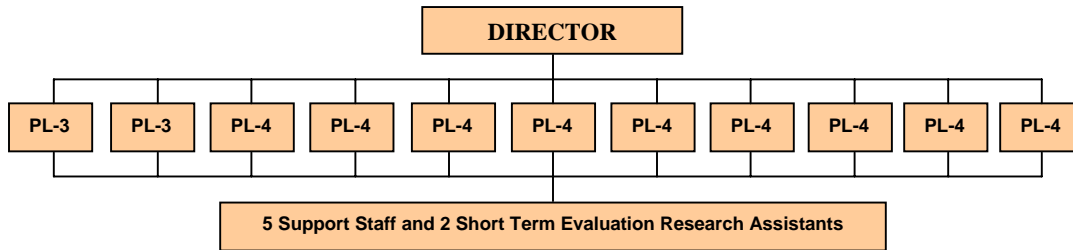
	2001	2002	2003	2004	2005
Total Budget of ADB (UA million)	107.007	122.506	152.493	143.870	165.706
OPEV Budget (UA million)	1.670	1.950	2.400	2.540	2.883*
OPEV Budget as % of Total	1.56	1.59	1.57	1.76	1.74
Total Budget of IDB	363.00	383.00	392.00	418.00	441.00
IDB Eval. Dept. Budget	4.60	4.80	5.00	5.40	6.40
IDB Eval. Dept. Budget as % of Total	1.27	1.25	1.28	1.29	1.45
Total Budget of AsDB	220.5	234.3	252.6	279.4	299.8
AsDB Eval. Dept. Budget	4.7	5.5	5.3	6.2	6.2
AsDB Eval. Dept. Budget as % of Total	2.13	2.35	2.10	2.22	2.10

Source : OPEV, OVE/IDB and OED/AsDB

Annex 6

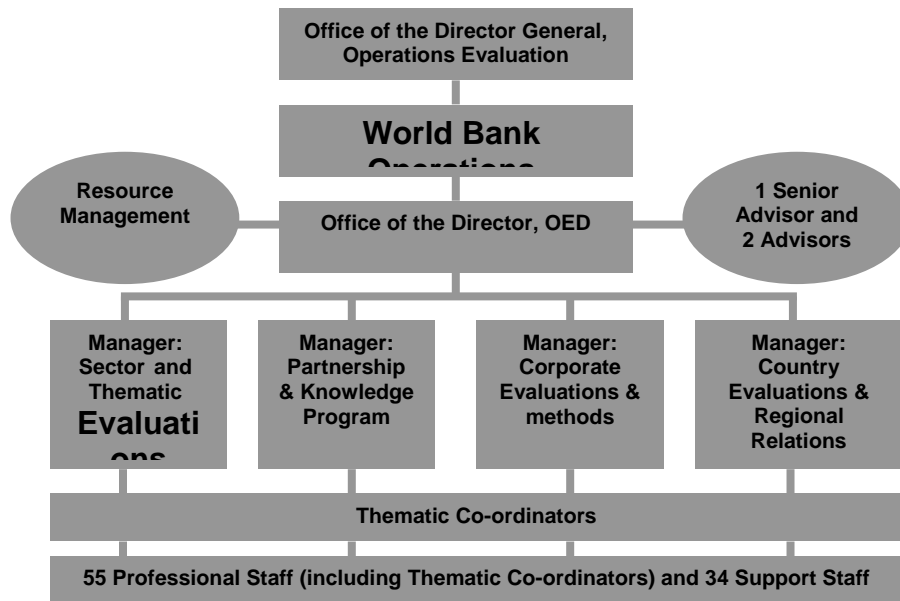
Organigrams of OPEV, OED/World Bank and OED/Asian Dev.Bank

EXISTING STRUCTURE OF OPEV



PL-3 = Principal Chief Evaluation Officer
 PL-4 = Principal Evaluation Officer

STRUCTURE OF OED, WORLD BANK



STRUCTURE OF OED, ASIAN DEVELOPMENT BANK

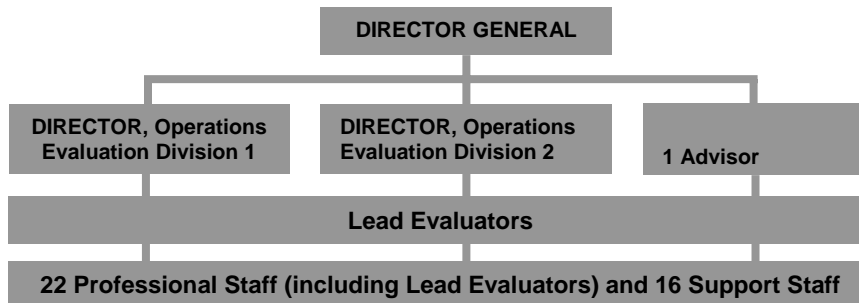


Table of Comparison of Evaluation Organizations

Partially Updated to September 2005

	World Bank (October 2003 data)	International Finance Corporation (October 2003 data)	Inter-American Development Bank (Sept. 2005 data)	Asian Development Bank (Sept.2005 data)
1.1 Separate Evaluation Department	Yes, Operations Evaluation Department (OED)	Yes, Operations Evaluation Group (OEG)	Yes, independent Office of Evaluation and Oversight (OVE)	Yes, Operations Evaluation Department (OED)
1.2 Location in Organisation Chart and Budget	Unit reports to Board of Exec Directors via Director General, Operations Evaluation. For managing personnel and budgets advice is sought from Vice Presidents responsible for HR and budget; however, OED's budget and work plan are approved by Board Committee for Development Effectiveness (CODE).	Functionally, unit reports to the Board through the DG for Operations Evaluation of World Bank (DGO); for admin purposes, unit reports to IFC Exec VP (chief operating officer).	OVE Director reports to the Board of Executive Directors and submits the Work Program and Budget for their approval.	Independent of other departments/offices and reports directly to the President and functionally linked directly to the Board through the Development Effectiveness Committee (DEC)
1.3 Seniority of Head of Department	Director General Operations Evaluation (DGO) is VP level. Head of Operations Evaluation : Director is one level below VP and is selected by the DGO in consultation with the President and Chair of CODE.	OEG Director is one level below VP, same level as investment department and other IFC department Directors.	Director of Office: one level below VP, equiv. to Department Manager (three rungs below President)	Director General, one level below VP, same level as operations department directors general
2.1 Staffing	Director General + 1 Dir. & 4 Group Mgrs Principal & Sr. Eval. Specialist: 44 Eval. Officer: 5 Support Staff: 34	Head of Unit (Director): 1 Chief Eval Officers: 2 Eval Officers: 8 Research Assistants: 2 Support Staff: 3 Total: 16	Dir. 1 Deputy Director: 1 Professionals 20 Research Assistants: 22 Support Staff: 7 + 1 consultant	Director General: 1 Professional Staff: 23 Res.assistants: 7 Administrative staff 9
2.2 Average Tenure of Head of Evaluation and other evaluation staff	Board appoints DGO for renewable terms of 5 years. Selection process and remuneration of the DGO are managed under the oversight of CODE (with advice from the relevant Vice President, Human Resources). The DGO can only be removed by the Board and is ineligible for appointment or reappointment to the staff of the Bank. Other staff serve approximately 5-7 years, but are not limited.	No limitations except for Director who is appointed by DGO WB, in consultation with the EVP and CODE chair (see WB 1.2). His term is renewable 5-yr; may not rotate within IFC. He can only be removed by the DGO, for just cause. Rotation of other staff is encouraged after 4 years but not required.	No limitations except for Director who has 5-year one time-renewable mandate. In general, the Bank encourages staff rotation after 5 years, but it is often difficult to find an even exchange. The third Bankwide mobility exercise is scheduled for fall 2003.	No limitations. Currently, the average tenure is less than 3 years. Rotation is encouraged (about 20% have been rotated for the past two/three years).

	World Bank (October 2003 data)	International Finance Corporation (October 2003 data)	Inter-American Development Bank (Sept. 2005 data)	Asian Development Bank (Sept.2005 data)
3.1 Consultants: Proportion of Business Covered	22% of budget; (60 consultants/years incl. research assistants).	12% (FY04 consultants & temps as % of staff full costs) = 9% of total budget	30% (about 20% of budget)	19%
3.2 Internal Secondment	No, but possible	Yes, possible and actual in the form of fixed-term development assgts (usually 6-12 mos)	Yes, through Bank mobility (rotation) exercise. Staff may rotate in and out of OVE for 2-3 year terms.	No
4. Work Programme	Prepared by OED Dept., discussed with management, regions and networks & Board's Committee on Develop. Effectiveness, submitted to Board for discussion & approval	Every year, OEG Director prepares a 3-yr strategy, work program, and new FY budget proposal, reviewed by DGO & Management & discussed with CODE, who sends a report commenting on it to the full Board prior to Board's final decision on IFC's budget	OVE prepares an annual work plan based on requests from Board of EXDs and input from Bank management. OVE submits Plan to the Policy and Evaluation Committee of the Board for discussion and then Board approval.	OED prepares its annual work programme. Performance audits selected independently. Suggestions & inputs from operations departments regarding impact, re-evaluation, and thematic studies. The programme submitted to the President for approval and to DEC for discussion.
4.1 Percentage of Projects Subject to Evaluation	100% self-eval of ICRs by operat. staff 100% ICRs reviewed by OED; 25% of completed projects evaluated by OED Dept.	51% stratified random sample (CY04) by self-evaluation reports. All desk-reviewed by OEG, some by field visits following review of self-evaluation reports. Also, all special studies (sector, country) are based on field visits and relevant mini-XPSRs by OEG staff.	100% self-eval. by operations staff. 20% Ex-post Performance and Sustainability Assessments (EPSAs) by OVE. Two independent impact evaluations by OVE per year. Six pilot ex-post evaluation studies to be conducted jointly with Borrower and Operations.	100% self evaluation (PCRs) by operating units. 100% of completed programs and 40% of completed projects (randomly selected) are evaluated by OED
4.2 Basis of Studies (country, project by project, sector...)	ICR Reviews and cluster performance assessment audits in single countries, CAS Completion Reports	Annual Reviews based on OEG-validated self-evaluation findings and supplementary portfolio and market data. Special eval. studies : sector, special program, process, country, thematic development impact, all drawing from project-level results. Priority given to topics relevant to IFC's corporate strategic priorities, joint studies with WB-OED & MIGA-OEU.	OVE: Evaluations of development impact, ex-post performance and sustainability, country programs, sector and thematic, Bank policies, strategies and programs. ²⁶ Oversight and harmonization of self-evaluation reporting standards at HQ and country offices. Bank operations staff: Projects/activities.	Project; country; subregional; sectoral; thematic topics for special studies; ADB processes; policy reviews; impact assessments.

²⁶ Strategy evaluations have been done through 2003, but will be replaced by sector and thematic evaluations in the future.

	World Bank (October 2003 data)	International Finance Corporation (October 2003 data)	Inter-American Development Bank (Sept. 2005 data)	Asian Development Bank (Sept.2005 data)
5.1 Types of Report & Timing	<ul style="list-style-type: none"> 1. Project Performance Assessments 2. Country Evaluations 3. Thematic & Sector Evaluation 4. Corporate & Process Evaluation 5. Impact Evaluation 6. Annual Review of Development Effectiveness (ARDE) 7. Annual Report on Operations Evaluation (AROE) 	<ul style="list-style-type: none"> 1. Self Evaluation Reports (Expanded Project Supervision Reports) at project level (completion + min. 1-2 yrs operation) 2. OEG special studies: per above topical range (ditto plus up to date credit reviews of all mature portfolio) 3. Annual Review of Eval. Results 4. Annual Report on Evaluation (process) 	<ul style="list-style-type: none"> 1. Project Completion (Bank Ops. Staff) 2. Ex-post Project Performance and Sustainability Assessments 3. Country Program Evaluation 4. Sector & Thematic Evaluation 5. Corporate Performance 6. Oversight of Self-evaluation and Bank-wide standards 7. Thematic Oversight Reports 8. Annual Report of the Office of Evaluation and Oversight 	<ul style="list-style-type: none"> 1. Project/Program Performance Audit Rep. (PPAR) 3 years after project completion 2. Technical Assistance (TA) Performance Audit Report 3. Impact Evaluation Studies 4. Re-evaluation (5 yrs after post-evaluation stage) 5. Special Evaluation Studies 6. Annual Review of Evaluation activities. 7. Country Assistance Program Evaluation (CAPE) 8. Annual Report on Loan and TA Portfolio Performance
5.2 Discussion and Clearing of Reports	Discussed with appropriate operations staff. OED reports are issued under DGO signature and approval. Reports are then forwarded to the Board.	Self-evaluation: All staff involved with project in past and present consulted, 100% of reports are formally reviewed by OEG and (for about half, designated by OEG) discussed by committee chaired by VP or Credit Director or relevant senior Credit staff. OEG: Draft reports submitted to management for comment; final versions of all reports submitted to Board following review and comment by DGO.	Internal OVE peer review, discussion with relevant Bank technical and operational staff, and the Audit and Evaluation Committee of senior management (chaired by Exec. V.P.). Management does not clear or approve the report. Report submitted to the Policy and Evaluation Committee of the Board (Country Program Evaluations go instead to the Programming Committee of the Board), and then to entire Board of Executive Directors.	Discussed with peers; then forwarded to operational departments and governments (executing agencies) for comments. Final draft cleared by Director General OED, and circulated to the Board.
5.3 Distribution of evaluation reports	OED Reports are submitted directly by the DGO to the Committee on Development Effectiveness, and are disclosed to the public in line with its disclosure policy . Reports are posted on OEDs website.	OEG transmits its reports to IFC's Directors through the DGO following IFC management review and comment. Except for non-investment topical studies and joint studies, disclosure to public of OEG reports is restricted to an abstract.	OVE reports are submitted by the Director directly to the Board's Policy and Evaluation Committee and, for Country Program Evaluations, to the Board's Programming Committee.	All public sector evaluation reports are fully disclosed through the President to the Board of Directors, respective governments, executing agencies, and the general public. Reports circulated since 1995 are available online.

	World Bank (October 2003 data)	International Finance Corporation (October 2003 data)	Inter-American Development Bank (Sept. 2005 data)	Asian Development Bank (Sept.2005 data)
5.4 Publication	Country Assistance Evaluations Thematic & Sector Eval. Some Corporate Evaluations ARDE AROE OED working papers Precis All reports are disclosed in line with its disclosure policy, placed on the web and printed.	No, mainly because of confidentiality of either company or IFC investment results data, generally only report abstracts are released and done via Internet Homepage and via points of public contact.	Annual Report of Evaluation Office is published. Reports distributed to Board of Directors and governments. Evaluation abstracts appear on the OVE website except when the affected government objects (in the case of Country Program Eval.). The Bank is revising the overall disclosure policy, including that of OVE.	All public sector reports available for distribution. Always distributed to Board of Directors, respective governments, and executing agencies. Reports circulated since 1995 are available online at http://www.adb.org/evaluation
5.5 Identity of Promoters of Projects	Not applicable	Not disclosed	Not disclosed. Source data is subject to disclosure policy.	No specific measures taken to protect identity of project/promoter. Provide sector reports not disclosed
6. Costs	Cost for individual studies depends on nature of the study:	Self-evaluation: XPSRs consume approx. 2% of operations and engrs/envrmt spec. staff time OEG: Budget for costs per study (which vary) are included in approach papers	Budget for evaluation reports and services estimated by staff time, consultants and travel costs required, and are reported by gross activity. Budget is approved by the Board.	Depends on nature of study.
6.1 Budget	1.5% Bank's admin. Budget	OEG: 0.9% of IFC total (FY04)	1.45% of IDB total budget	2.10 of AsDB's total budget

	European Investment Bank (EIB) (data)	European Bank for Reconstruction and Development (EBRD) October 2003 data	African Development Bank (data)
1.1 Separate Evaluation Department	Yes, Operations Evaluation Department (EV). Established 1995	Yes, Project Evaluation Department (PED)	Yes, Operations Evaluation Department (OPEV)
1.2 Location in Organisation Chart and budget	EV reports to the Board of Directors via Management Committee; administrative link to one member of the Management Committee. Budget approval annually. EV's budget is approved by the Management Committee, within the overall EIB budget approved by the Board. EV as any Directorate has budget autonomy to reallocate funds within certain limits and rules.	The Corporate Director for Evaluation reports directly to the President. At the same time he reports to the Audit Committee of the Board of Directors through providing regular reports on the Work Programme, presenting directly its Annual Evaluation Overview Report (AEOR) and other evaluation reports. PED's Budget is decided upon by Management based on a proposal from PED's Corporate Director. dispatch of the documents.	Since 1995, OPEV reports directly to the Board and administratively to the President. Work Programme and outputs are under the oversight of the Committee of Operations and Development Effectiveness of the Board. Budget is decided within the corporate Budget presented by Management based on OPEV proposal
1.3 Seniority of Head of Department	Title: Director, who is Head of Directorate.	The Corporate Director for Evaluation is in principle one level below VP. He is appointed by the President.	Head: Director
2.1 Staffing	Director + 4 professionals (two Head of Division and two staff below that level). 4 Assistants	1 Corporate Director; Professional Staff: 5 Senior Evaluation Managers, 1 senior environmental evaluation manager, 1 senior economist and 2 externally funded evaluation managers; 1 Senior Research Officer and 2 Secretaries	Director + 2 Chief Evaluation Officers+ 8 Principal Evaluation Officers (2 Economist; 1 Statistician; 1 Industrial Engineer; 2 Agronomist; 1 Financial Analyst; 1 Transport Economist.
2.2 Average tenure of Head of Evaluation and other evaluation staff	3 to 5 yrs, no limitations except Director 5 year non-renewable mandate.	Management appoints the Corporate Director. No limitations on tenure	Director is appointed for 5 years renewable only once. Rotation of evaluation staff back to operational posts is recommended.
3.1 Consultants: Proportion of Business Covered	Generally, post –evaluations prepared with the help of consultants.	Industry expert consultants are employed for approximately approx. 50-60% of post evaluation exercises on investment operations. The assignments are short term (max. 3 weeks) and in a support capacity. For special studies (thematic, etc.) longer assignments are usual.	15-20% of Administrative Budget. About 7 person-years (including consultants recruited under bilateral cooperation funds).
3.2 Internal Secondment	Not so far, but provided for.	Not so far, but some junior level secondment from other Departments is possible.	Not from Operations Depts, but for Crosscutting themes such as gender, environment- poverty alleviation (specialists from Environment & Sustainable Devel. Unit)-

	European Investment Bank (EIB) (data)	European Bank for Reconstruction and Development (EBRD) October 2003 data	African Development Bank (data)
4. Work Programme	Two-year rolling work programme prepared by EV in consultation with other directorates and approved by Management Committee	In consultation with Banking Department (operations), PED prepares annual work programme on post evaluation of investment operations. Suggestions for selection of TC operations and themes for special studies can come from the Board and management. Programme is reviewed by Executive Committee (management) and the Audit Committee of the Board. Final project selection and choice of special studies is done by the Corporate Directors for Evaluation.	OPEV prepares its three-year rolling work programme on a basis of a large consultation with operations departments. Priority areas, sectors or themes from Board members are also included in the work programme, which is reviewed and approved by the Committee of the Board on operations and development effectiveness (CODE).
4.1 Percentage of Projects Subject to Evaluation	<ul style="list-style-type: none"> - Goal is 100%. Self evaluation by operational staff (and independent summary report prepared by EV) ; - Goal 15% of all projects financed annually by the Bank are subject to full evaluation with field visits. 	<p>100% Investment Operations ready for evaluation, of which about:</p> <ul style="list-style-type: none"> 26% direct-evaluated projects whereby PED staff makes field visit; 34% PED assessment of Expanded Monitoring Reports (XMRs) the self-evaluation report prepared by operation staff (no field visit); 40% PED review of quality and completeness of self-evaluation reports (no validation of performance ratings by PED); <p>Selection of the 26% direct-evaluated projects based on purposive sample with emphasis on:</p> <ul style="list-style-type: none"> - Potential for Lessons Learned; - Financial performance of project; - Size of bank's exposure; - Adequate spread among operation type, countries and sectors. <p>19% of completed Technical Cooperation (TC) Operations (by volume) are evaluated; including TC operations covered in special studies the coverage is 60%.</p>	Actually 40-50% due to budget constraints. Selection criteria: quality of PCR, importance of sectoral or country issues raised; sectoral or crosscutting issues & priorities. New procedures put in place starting February 2001: PCRs reviewed at 100% (target) with PCR review notes prepared and sampling method used for PPER preparation.

	European Investment Bank (EIB) (data)	European Bank for Reconstruction and Development (EBRD) October 2003 data	African Development Bank (data)
4.2 Basis of Studies (country, project by project, sector...)	All types of studies, mainly by sectoral themes or grouped according to country or region.	<p><u>Special studies</u> can have a thematic character or can refer to a specific sector.</p> <p><u>Mid-term review</u> of projects can be prepared to advance progress.</p> <p><u>Evaluation Progress reviews</u> whereby PED revisits former evaluations.</p> <p>Country Strategy Evaluation pilot study on the Slovak Republic to be carried out. Then assessment by Management and the Board on whether to continue.</p> <p><u>Operation Performance Evaluation Reviews (OPERs)</u> on investment operations (IOs) are carried out project-by-project. Later on projects can be grouped together to do a sector study.</p>	Policy Review prior to a Revision by Policy Dept. Country Assist. Evaluation prior to new Country strategy or country portfolio review. Thematic studies + Process Reviews + Impact studies.
5.1 Types of Report and Timing	<ol style="list-style-type: none"> 1. Project Evaluations 2. Evaluation in particular regions or countries. 3. Annual Report on Evaluation activities. 4. Annual report on self evaluation 	<ul style="list-style-type: none"> - <u>Operation Performance Evaluation Review (OPER)</u> reports and in-depth OPER reports on investment operations. Timing: 1.5 years after full loan disbursement and 2 years after last disbursement of equity investment. At least one year of audited accounts and commercial operation. - Timing for evaluation of TC operations: within a year of final disbursement of grant funds when Project Completion Report (PCR) is available. - <u>XMR Assessments</u> are done at the same time as OPER reports; - <u>Special Studies, mid-term reviews and evaluation progress reviews</u> are carried out at the initiative of PED and at the request of the Board or Management; - <u>Work Programme</u> Papers (bi-annual) - <u>Workprogramme/Business Plan and Budget</u> (annual) - <u>Annual Evaluation Overview Report (AEOR)</u> 	<ol style="list-style-type: none"> 1. Project/programme performance evaluation Reports (PPERs) 2. Ann. Review of Eval. Results 3. Ann. of Activity Report 4. Review of Bank experience (sectoral or thematic) 5. Country Assistance Evaluation 6. Sector policy Review 7. Lending Process Reviews

	European Investment Bank (EIB) (data)	European Bank for Reconstruction and Development (EBRD) October 2003 data	African Development Bank (data)
5.2 Discussion and Clearing of reports	All reports discussed with all (in-house) services concerned & when practicable, with relevant Promoters. Management Committee decides to send report to Board of Directors without change of substance.	The corporate director for evaluation signs-off on all evaluatin reports that can be distributed to the Board of Directors and Management. Draft OPER reports and special studies are reviewed/commented on by relevant operation team & support units. The preface of these reports refer to the consultation process of the Corporate Director for Evaluatino with the Secretary General of the EBRD. No clearance is required from management before eligible reports are dispatched to the Board and the President. PED seeks comments from a peer group within the EBRD on a draft of the "Annual Evaluation Overview Report" (peer review). The AEOR is reviewed by the Audit Committee of the Board before a review of the document in the full Boadr of Directors. The AEOR is sent to the Bank's 'Board of Governors after the review process between Management and the Board of Directors has taken place. Selected reports are reviewed by the Audit Committee of the Board every four months.	Internal Working Group or Quality Control Working Group Reports sent for comments to Operat. Depts. + Borrowers + Co-financiers- Formal Management Response provided by Operations Vice Presidency and Evaluation Reports discussed by the Boards Committee (CODE) on sectoral or thematic basis
5.3 Distribution of evaluatuion reports	Two-year rolling work programme prepared by EV in consultation with other directorates and approved by the Management Committee. Management Committee decides to send report to Board of Directors without change of substance and to publish or not.	The evaluation documents that can be disclosed to the Board of Directors are signed off by the Corporate Director for Evaluation and send to the President and the Board of Directors at the same time. He consults the respective project team and the Secretary General before distribution of project-related evaluation reports and special studies.	HR management of evaluation staff falls within the corporate HR policies and procedures.
5.4 Publication	Management Committee decides to publish or not without change or substance.	From 30 April 2003 onwards the following disclosure of evaluation documents is incorporated in EBRD's public information policy (PIP): - Summaries of OPER reports on investment operations; OPER reports on TC operations; Special studies; Work Porgramme of PED; AEOR; All reports will be edited for commercial confidential information. An amended lessons learned database has been published on EBRD's Web site.	Reports available for wide distribution after discussion by the Board Committee. Reports' Abstracts are distributed internally. Evaluation Website under construction

	European Investment Bank (EIB) (data)	European Bank for Reconstruction and Development (EBRD) October 2003 data	African Development Bank (data)
5.5 Identity of Promoters/Projects	Promoters and projects should not be identifiable in published reports.	No names of project sponsors and promoters will be disclosed outside the Bank because of confidentiality obligations towards the Bank's clients, to a great extent in the private sector.	No restriction on the identity of the promoters/projects
6. Costs	Cost per study measured on basis of time management system and consultants contracts Budget approval annually	A strict budget system is in place. Budget is approved annually by the Board based on management recommendations & controlled monthly. Average cost per evaluation exercise: 25-45 man-days (Bank staff) + consultant time for OPER reports; up to 12 weeks (evaluation staff) for special studies plus 3-4 weeks consultant time.	Total Unit Cost* (000 USD) PPERs (evaluation reports) 45 Process Reviews: (av.) 35 Thematic studies: (av.) 75-90 Country assistance review 90-120 * (administrative budget and resources from bilateral cooperation funds)
6.1 Budget	About 1% total EIB admin. budget.	1.56% of EBRD's net general administrative expenses plus depreciation.	1.9% of administrative budget of AfDB. (2004)

	International Monetary Fund (..... data)	United Nations Development Program (data)
1.1 Separate Evaluation Department	Yes, Independent Evaluation Office (IEO)	
1.2 Location in Organisation and budgett	The IEO reports directly to the Executive Board of the Fund. It is completely independent of Management, and operates at “arm’s length” from the Board.	
1.3 Seniority of Head of Unit	The Director of the IEO is at the same level as other Heads of Department, i.e., the level immediately below that of the Deputy Managing Directors of the IMF.	
2.1 Staffing	Director plus 3 B-level staff, 5 professionals, 1 Research Assistant, and 2 Administrative Assistants At least half of staff must be recruited from outside the Fund	
2.2 Average Tenure of head of Evaluation and other staff	The Director is appointed by the Board of Directors for 4 years, with the possibility of a 3-year extension. Staff serving in the IEO can have a maximum tenure of 6 years. To ensure against a conflict of interest the Director cannot subsequently join IMF staff in any capacity.	
3.1 Consultants: Proportion of Business Covered	40% of staff resources used in evaluation studies are expected to be outside consultants	
3.2 Internal Secondment	Up to 50% of staff can be from the Fund. However, they are not seconded by Management. They are recruited by the Director and allowed to go to the IEO with the option to return to Fund staff at the same grade as before they joined IEO. Returns at a higher grade are neither ruled out nor automatic.	
4. Work Programme	Prepared by the Director based on consultations with Executive Board, Management, and a variety of interested groups outside the Fund. The work program is discussed by the Executive Board but is not approved by it.	
4.1 Percentage of Projects Subject to Evaluation	There is no fixed percentage. Besides the IEO can evaluate all aspects of Fund activity and not just programs.	
4.2 Basis of Studies (country, project by project, sector...)	Studies include thematic studies across several countries and studies focused on individual country programs.	
5.1 Types of Report & Timing	3 to 4 evaluation reports will be submitted to the Board each year. IEO will also issue an Annual Report	
5.2 Discussion and Clearing of Reports	IEO reports submitted to Management and to the relevant country authorities for comments (not clearance). Comments of Management and the country authorities will be appended to the IEO report along with comments of IEO, and transmitted to the Board for consideration.	

	International Monetary Fund (..... data)	United Nations Development Program (data)
5.3 Distribution of evaluation reports	<p>The work program is decided by the Director of IEO. It is reviewed by, but not subject to approval of, the Executive Board. The majority of IEO staff have to be recruited from outside the IMF staff. All IEO staff have separate contracts that require them to take instructions only from the Director of IEO.</p> <p>The IEO adopts a transparent approach to evaluation, which allows for lateral inputs. Draft issues papers for all evaluation projects are posted on the IEO website for comments and final terms of reference are determined after taking account of comments. The final terms of reference is also published and those interested are invited to submit substantive inputs relevant to the terms of reference for consideration by the evaluation team.</p> <p>IEO reports are circulated simultaneously to IMF Management and the Evaluation Committee of the Executive Board and are not changed in light of management comments. IEO submits separate comments on management's comments for consideration by the Board. The normal procedure is that the reports are released for publication by the Board after they have been discussed and are published along with comments of management, IEO comments on management comments, and on the summary of discussions by the Chair.</p>	
5.3 Publication	To be determined after Board discussion of each evaluation. The terms of reference of IEO indicate that there is a strong presumption that reports will be published	
5.4 Identity of Promoters/Projects	Not applicable	
6. Costs	IEO budget is approved by the Executive Board based on estimates prepared by IEO. The budget approval process does not influence the content of the evaluation program, but does determine its overall size.	
6.1 Budget	0.5% of IMF Administrative Budget in 2003	

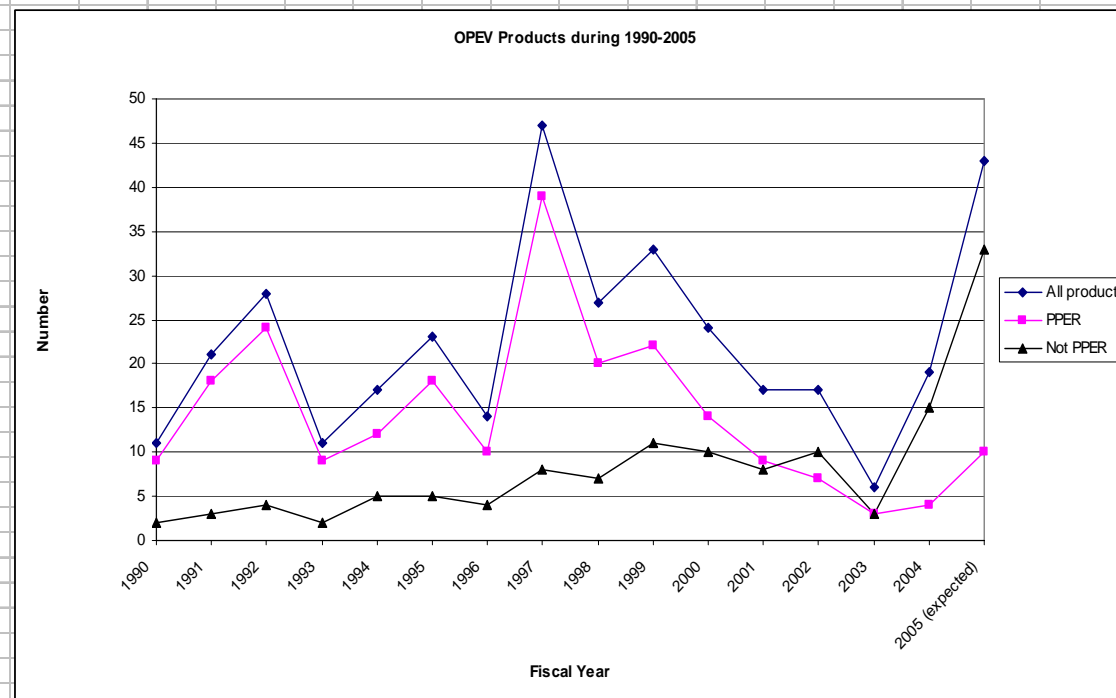
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Annex 8

OPEV Products Since 1990

No.	OPEV Products	Fiscal Year																
		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 (expected)	
1	Project/Programme Evaluations	9	18	24	9	12	18	10	39	20	22	14	9	7	3	4	10	
2	Annual Report and Work Programme	2	2	3	2	3	3	1	3	3	1	2	2	4	1	2	1	
3	Sector Reviews, Policy Reviews and Thematic					1			3	3	8	8	3	3	1	5	17	
4	Country Assistance Evaluations											2	1	1	1	1	5	
5	Review of Operational Process and Procedures									2					2	4		
6	Corporate Evaluation		1	1		1		1					2		3	1		
7	Monitoring and Evaluation Capacity Development							1	1			1			2	1		
8	Knowledge Management and Dissemination						2	1	1	1							4	
	Total	11	21	28	11	17	23	14	47	27	33	24	17	17	6	19	43	



Rating Disconnect between PCRs and PPERs and PCR Review Notes

No	Fiscal Year	COUNTRY	SECTOR	PROJECT NAME	CODE CONSEIL	Ratings						
						PCR			PPER			DISC
						I . P	B . P	P . O	I . P	B . P	P . O	
1	2002	Benin	Power	Projet De Dispatching De Production Et De Transport D' Energie De La Communaute Electrique Du Benin	ADF/BD/WP/2002/145	N.R	N.R	N.R	2.16	3	3.22	
2	2003	Benin	Adjustment Macro	Structural Adjustment Programme I, II and III	ADF/BD/WP/2003/172	N.R	N.R	N.R	3.00	3.00	3.00	
3	2002	Burkina-Faso	Education	Young Farmers` Training Project	ADF/BD/WP/2002/01	N.R	N.R	N.R	2.40	2.00	2.46	
4	2002	Cameroon	Adjustment Macro	Structural Adjustment Programme II	ADF/BD/WP/2002/132	2.18	2.00	2.16	3.00	2.00	3.00	Upgrade
5	2001	Chad	Communication	Telecommunications infrastructure rehabilitation	ADF/BD/WP/2001/82	N.R	N.R	N.R	2.2	3	2.54	
6	2001	Chad	Education	Renovation of the Educational Infrastructure (Education II)	ADF/BD/WP/2001/194	I.R	1.75	1.2	2	2	3	Upgrade
7	2004	Egypt	Power	El Arish Power	ADB/BD/WP/2004/101- ADF/BD/WP/2004/101	N.R	N.R	N.R	3.06	2.70	3.00	
8	2004	Ethiopia	Power	Northern Power Transmission	ADB/BD/WP/2004/99- ADF/BD/WP/2004/114	2.75	3.00	3.45	3.25	3.34	3.45	Same
9	2002	Ghana	Adjustment Sector	Agricultural sector rehabilitation	ADB/BD/WP/2002/111- ADF/BD/WP/2002/128	N.R	N.R	N.R	2	2	3	
10	2002	Ghana	Agriculture & RD	Cocoa rehabilitation	ADB/BD/WP/2002/109	I.R	I.R	2.00	2.00	2.00	3.00	Upgrade
11	2002	Guinea	Adjustment Macro	Structural Adjustment Programme II	ADF/BD/WP/2002/37	3.40	3.67	3.50	2.00	2.15	1.85	Downgrade
12	2001	Kenya	Adjustment Sector	Agricultural Sector Adjustment Programme II	ADB/BD/WP/2001/72- ADF/BD/WP/2001/91	N.R	N.R	N.R	2	2	2	
13	2001	Malawi	Adjustment Sector	Agricultural Sector Adjustment Programme	ADF/BD/WP/2001/24	N.R	N.R	N.R	1	2	1.66	
14	2001	Mauritania	Poverty Allevation	Institutional Strengthening for Projects relating to S.D.A.	ADF/BD/WP/2001/86	N.R	N.R	N.R	3	3	3	
15	2005	Morocco		FISAP And PDEI Project Performance	ADB/BD/WP/2005/81	3.25	3.2	3.1	2.85	2.6	2.41	Downgrade
16	2002	Multinational	Power	Electric energy generation & dispatching	ADF/BD/WP/2002/145	2.40	2.75	2.98	2.16	3.00	3.22	Upgrade
17	2001	Senegal	Adjustment Macro	Structural Adjustment II	ADB/BD/WP/2001/101- ADF/BD/WP/2001/171	N.R	N.R	N.R	1.25	1.66	1.61	
18	2002	Senegal	Gender Equity	Women's Groups Support	ADF/BD/WP/2002/135	2.81	2.50	2.81	3.00	3.00	3.00	Upgrade
19	2001	Tanzania	Adjustment Sector	Sector rehabilitation loan (Agriculture & Transport)	ADF/BD/WP/2001/116	N.R	N.R	N.R	1	2	2	
20	2004	Tanzania	Agriculture & RD	National Agriculture and Livestock Extension Rehabilitation	ADB/BD/WP/2004/86	2.50	1.30	2.20	1.80	1.66	2.66	Upgrade
21	2004	Tanzania	Transport	Tanzam Highway Rehabilitation	ADF/BD/WP/2004/20	1.8	3.33	2.82	2.77	2.83	2.68	Downgrade
22	2001	Tunisia	Adjustment Sector	Agricultural sector adjustment	ADB/BD/WP/2001/80	N.R	N.R	N.R	2.3	2.12	2.76	
23	2003	Tunisia	Agriculture & RD	Projet de Développement Rural Intégré Phase II	ADB/BD/WP/2003/04	3.00	1.88	3.00	3.00	3.00	3.00	Same
24	2001	Uganda	Poverty Allevation	Poverty Alleviation	ADF/BD/WP/2001/78	N.R	N.R	N.R	3	3	3	

