

AFRICAN DEVELOPMENT BANK GROUP



**REVIEW OF THE INDEPENDENCE OF THE OPERATIONS
EVALUATION DEPARTMENT (OPEV) OF THE AFRICAN
DEVELOPMENT BANK**

**DRAFT TERMS OF REFERENCE FOR CONSULTANCY
SERVICES**

**OPERATIONS EVALUATION DEPARTMENT
(OPEV)**

30 March 2005

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

Draft Terms of Reference for Consultancy Services

1. Introduction

- 1.1 The Bank has been undertaking evaluations of its development assistance, processes and procedures since 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.

2. *Scope of the study*

The review shall be detailed to include a thorough analysis of every aspect of the department’s impartiality and independence. 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?
- What is the balance between post and ex ante evaluation – interim, retrospective and prospective?
- 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. Enhancement of OPEV's independence through its internal and external relationships.

This will entail issues such as:

- The appropriate level of engagement of OPEV feedback on lessons, participation in senior management committees, etc. without losing its independence,
- The appropriate level of the use of external inputs into the evaluation process, and
- The usefulness and effectiveness of external or joint evaluations to enhance its independence.

3. Methodology

3.1 The issue of an evaluation unit's independence has been addressed in the past by a number of official organizations and have compiled a set of criteria that can be used to define the degree of independence of OPEV¹. They relate to the Bank's organizational framework and they are:

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

Each of these criteria has a range of aspects that should be looked at through the use of relevant indicators. For example:

A. Organizational Independence

- Aspect: The reporting relationship
- Indicator(s): Existence of and nature of a direct reporting relationship between OPEV and Management / Board / relevant Board Committee.

¹ See ECG Template for Independence of Evaluation Organizations attached

B. Behavioral Independence

- Aspect: Protection of administrative budget, and other budget sources.
- Indicator(s): Existence of Line item of administrative budget for evaluation determined in accordance with a clear policy parameter etc.

C. Avoidance of conflict of interest

- Aspect: 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.
- Indicator(s): Extent to which there are policies and procedures in place to identify evaluator relationships that might interfere with the independence of the evaluation.

D. Protection from external Influence

- Aspect: Procedures for the appointment of and discretion of the Director and Staff of OPEV.
- Indicator(s): Extent to which OPEV Director has control over staff hiring, promotion etc.

3.2 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 partner institutions. 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. The review will be a time-limited exercise and should not involve large scale investigation or assessment exercise.

4. Indicative Work Plan

The total duration of the assignment is 7 weeks with an indicative start date of 18th April 2005.

Week One

Consultant's initial review of background documents. Consultations with relevant OPEV staff to finalize the work plan and the resolution of outstanding issues. Formulation of interview questions for staff, management, board, partners and stakeholders. Selection of interviewees.

Output: Work plan finalized. Interview question formulated. Interviewees selected.

Week Two

The consultant will conduct individual interviews and/or joint meetings with staff, management and Board.

Output: Interviews conducted and results compiled.

Week Three

The consultant will conduct interviews and/or joint meetings with partners and stakeholders.

Output: Interviews conducted and results compiled.

Weeks Four and Five

Consultant will prepare and submit a first draft report to OPEV's management on the impartiality and independence of OPEV

Output: Draft report submitted for consideration.

Week Six

Internal review of the submitted report, including departmental working group meeting to discuss the findings of the report.

Output: Comments and notes on how the document should be revised.

Week Seven

Draft final report incorporating comments submitted by the consultant.

Output: Draft Final 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;
- Work under the supervision of the Task Manager; 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 or 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

Criterion	Aspects	Indicators
II. Behavioral Independence	<p data-bbox="465 240 999 344">Ability and willingness to issue strong, high quality, and uncompromising reports</p> <p data-bbox="465 571 797 603">Ability to report candidly</p> <p data-bbox="465 759 887 823">Transparency in the reporting of evaluation findings</p> <p data-bbox="465 979 878 1043">Self-selection of items for work program</p> <p data-bbox="465 1126 987 1222">Protection of administrative budget, and other budget sources, for evaluation function</p>	<p data-bbox="1021 240 2040 679">Extent to which the evaluation unit: a). has issued high quality reports that invite public scrutiny (within appropriate safeguards to protect confidential or proprietary information and to mitigate institutional risk) of the lessons from the organization's programs and activities; 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 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 data-bbox="1021 719 2040 935">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). Who determines evaluation unit's disclosure policy and procedures: Board, relevant committee, or management.</p> <p data-bbox="1021 979 2029 1078">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 data-bbox="1021 1126 2040 1262">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>

Criterion	Aspects	Indicators
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>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>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> <p style="text-align: center;">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>
IV. Avoidance of conflicts of interest	<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>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>

Criterion	Aspects	Indicators
	<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 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 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;</p> <p>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> <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).