

Results of the Public Consultation on the EBRD's Evaluation Policy

9 November 2012

Participants: Bankwatch and Chief Evaluator of the Evaluation department

After a review of the strategic direction of EvD in 2011, a new Evaluation Policy was developed as part of the Evaluation department's (EvD) 2012 Work Programme to reflect the need for definition of evaluation principles which guide evaluation practice within the Bank. It would cover the shared roles and responsibilities for evaluation within the EBRD and a strike a greater balance between EvD's accountability and learning functions. It would also provide an essential framework for the procedures and methods by which the policy would be executed.

The draft policy was reviewed interdepartmentally and was discussed in the Audit Committee. It was released for public consultation in November 2012 on the Bank's website. Interested parties were invited to participate in a conference call with the Chief Evaluator to ask questions about the draft policy and to express any concerns. The results of this conversation are itemised below. All comments have been considered and reflected to the extent possible in the policy. The policy was approved by the Board of Directors on January 16.

Issue	Comment	Response
Notification of when work is starting on evaluations	In order to allow the public or affected communities to provide input into evaluations taking place at the EBRD, whether on particular projects or on sectoral studies, it would be useful to receive notifications of when work is starting on evaluations. This could take the form of notifications on the EBRD's web page and/or e-mail notifications to the EBRD's CSO email list and any others who are known to have taken interest in the project or sector undergoing evaluation.	We will start publishing this beginning with items under the new Work Programme for 2013
Implementation of EvD's recommendations	To what extent does the bank take into account and make changes in line with the EvD's recommendations; what will the new policy contain that enhances the degree to which the bank takes on board the recommendations from evaluations?	The new Policy provides for a strengthened follow-up and reporting process for Management with respect to EvD recommendations. EvD is currently working to develop proposals for such improvements.
Areas identified for improvement	When the evaluation of the previous policy was carried out, what areas were identified for improvement?	The previous policy was not evaluated in a formal sense, but there was broad consensus around key areas needing improvement. One was to integrate more systematically evaluation's role in contributing to institutional learning. Another was to set out more clearly the

		various joint and separate evaluation roles and responsibilities of EvD, Management and the Board.
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Sharing of EU goals	<p>The EU's Lisbon Treaty (Article 21.2) brings new obligations for the EU's external action in developing countries, requiring poverty eradication to be the primary focus. While the EBRD is not directly an EU institution, 60 percent of its shares are held by EU countries plus the EU itself, thus it should share EU goals. In addition, while many of the EBRD's countries of operation are not classed as developing countries, this goal should apply to those which are.</p> <p>Does the Evaluation Department plan to take these requirements into account when evaluating projects in developing countries?</p>	<p>The purpose of the EBRD is set out in the Agreement Establishing the EBRD which states in Article 1:</p> <p>"In contributing to economic progress and reconstruction, the purpose of the Bank shall be to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in the Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economics."</p> <p>The new Policy explicitly cites this Article 1 language in setting out the purpose of evaluation.</p>
EvD assessment of sector policy performance indicators	<p>The new Municipal and Environmental Sector Policy introduces social and environmental performance indicators. We welcome this and hope that other sector strategies and projects will follow. What will be the role of the EvD in assessing whether these indicators have been met?</p>	<p>EvD's evaluations of individual projects include an assessment of their consistency with relevant sector and country policies. Performance indicators built into operation design always fall within the scope of an evaluation.</p>
Areas for project evaluation	<p>In the current policy, the areas for project evaluation are:</p> <p>Mandate-related indicators:</p> <ul style="list-style-type: none"> • transition impact • environmental performance and change • the Bank's additionality <p>Sound banking principles-related indicators:</p> <ul style="list-style-type: none"> • project and company financial performance • fulfilment of project objectives (other than transition-related objectives) <p>Bank effectiveness-related indicators:</p> <ul style="list-style-type: none"> • the Bank's investment performance • Bank handling of the operation <p>Will these stay the same? Will the same weighting be given as currently?</p>	<p>These remain the central criteria and indicators for operational performance, and therefore for performance monitoring and evaluation.</p> <p>EvD will be reviewing the current rating system during the course of 2013; proposals for change to incorporate improvements or best practice may emerge, in which case they will be thoroughly reviewed internally.</p>

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Guidance notes and issues covered	Can you tell us more about the guidance notes and whether they will cover issues such as the indicators to be used? Will they be publicly available?	Guidance notes are covered in the new Policy. Public availability will be determined on a case-by-case basis.
Timing of project evaluations	Does the EVD intend to stick to its current policy of mainly evaluating projects only after all disbursement? Will there be a role for mid-term reviews?	Yes, EvD will broadly continue its current policy of evaluating projects only after disbursement completion. There are limited resources with which to conduct independent evaluations, and these resources are best concentrated on ex-post evaluations. The Bank's project monitoring procedures should ensure the early closure of projects that are not able to meet their objectives, where this is the most economical course of action. It bear mentioning that EvD also evaluates programmes, frameworks, and initiatives of various kinds as they are underway.
Criteria and indicators for evaluation	In the current evaluation policy, there are lots of annexes with the criteria and indicators etc. Will these be changed now and where will they be published?	This information will now be contained in the guidelines referred to above to be produced by EvD.
Language	Para 1: the term "ex post" should be deleted since evaluation may take place at any stage of the operational cycle (as per the footnoted definition)	The wording in the policy has been amended in response to the comment.
Language	Para 7: sustainability has a social as well as an environmental dimension	Comment noted.
Language	Para 9: judging accomplishments in relation to objectives is not enough. What most distinguishes evaluation from auditing is the systematic assessment of relevance. A footnoted reference to the five DAC criteria would be desirable	This is covered in Paragraph 15 which covers Standards and Methods. EvD applies the DAC criteria to its project evaluations.
Language	Para 11: attesting to the adequacy of self-evaluation processes is an important independent evaluation mandate	Comment noted, and covered in bullet point 5.
Language	Para 11: the reference to joint evaluation ("on an occasional basis") is rather grudging; why not say "as	Incorporated.

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Language	appropriate" Para 12: there should not be repeated references to the removal of the Chief Evaluator. The language here is a bit too casual ("as necessary"). The term "for cause" is far better... (Malfeasance is the only reason the GAO head can be removed)	The wording in the policy has been amended in response to the comment.
Language	Para 14 third bullet: delete "as a matter of general practice"	Incorporated.
Language	Para 14 fourth bullet: add "in consultation with EvD"	EvD has an overall responsibility for reporting on Management's follow up on EvD's recommendations. The point here, however, is that Management has a responsibility to track implementation of agreed recommendations. EvD cannot implement its own recommendations. For this reason the comment is not adopted.
Language	Para 14 sixth bullet: "management should ensure the 'evaluability' of funded operations through explicit goals; verifiable performance indicators and adequate data collection arrangements"	This is covered in the seventh bullet point.
Language	Para 19: the last sentence is ambiguous. I would suggest "Operational staff are consulted at various stages of the evaluation process".	Language now reflects this.