EVD WORK PROGRAMME
2017 TO 2019 AND
BUDGET 2017

www.ebrd.com
The EBRD Evaluation Work Programme 2017 to 2019 and Budget 2017 presents:

– Rationale for a modified and realigned programme
– Expected benefits of changes
– Plans for engagement, reporting and information services
– Adequacy of budgetary resources

Joe Eichenberger
Chief Evaluator

Cover photo
© EBRD
Overview

Current work programme structure

Rational for modification and realignment

Expected benefits of proposed changes

Engagement, reporting and information services

EvD staffing, administration and budget
Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EvD</td>
<td>EBRD evaluation department</td>
</tr>
<tr>
<td>OE</td>
<td>Operation evaluation</td>
</tr>
<tr>
<td>OPA</td>
<td>Operation performance assessment</td>
</tr>
<tr>
<td>OPAR</td>
<td>Operation performance assessment review</td>
</tr>
<tr>
<td>OPAV</td>
<td>Operation performance assessment validation</td>
</tr>
</tbody>
</table>

Defined terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation evaluations (OEs)</td>
<td>independent evaluations involving field assessments of purposefully selected operations that present particular issues or opportunities for evidence-based performance feedback and insights.</td>
</tr>
<tr>
<td>Operation validations (OPAVs)</td>
<td>independent desk-based detailed quality review, validation and performance ratings for a substantial proportion of the mandatory ex-post self-evaluations prepared each year by operations teams.</td>
</tr>
<tr>
<td>Operation reviews (OPARs)</td>
<td>brief reviews of the completeness and basic quality of the remaining self-evaluations done by operations teams.</td>
</tr>
</tbody>
</table>
Overview

The EvD work programme and budget for 2017 to 2019 is designed to reflect three key developments: major improvements to the Bank’s evaluation systems in the past 5 years; ambitious new institutional initiatives that present both need and opportunity for a stronger EvD contribution to institutional performance and accountability; and, new institutional initiatives (as part of a drive towards operational effectiveness and efficiency) with tight resource constraints that require extracting more value across the board. The work programme’s two core objectives are: strengthen delivery of high-value evaluation products and services; and adapt EvD’s product mix and methods to reflect the emerging institutional context. On the former:

- Major evaluations of strategic value to Board and Management will get increased weight in EvD’s overall product mix, and produced to a shorter delivery cycle
- Country-level evaluations will be added and produced on a regular cycle
- A limited number of detailed project evaluations will be produced based on an expectation of high value and generally covering multiple related transactions
- EvD advisory work and quality review will continue for all self-evaluations of completed projects now prepared on a mandatory basis by operations teams

Targeted changes to existing practices are both necessary and opportune given the wide-ranging changes now underway at both strategic and operational levels; affecting priorities, organisational structure, product design, and tools and processes.

- Performance assessment and ratings must incorporate the new transition concept, standardised indicators, and other operational changes to come
- Greater value needs to be extracted from project-specific desk evaluations (Operation Performance Assessment Validations or OPAVs) that are based on self-evaluations. EvD will produce substantially fewer OPAVs and select them purposefully (not randomly as now) based on expected value
- The focus will be on a few higher-value cluster OPAVs, and a few OPAVs offering wide relevance and usefulness combined with learning and accountability gains
- Self-evaluation templates (OPAs) used by operations for all completed projects will be revised to incorporate new concepts and increase the value-to-effort ratio

One implication of moving to fully purposeful project selection is that EvD could no longer present its project ratings as statistically representative of Bank performance. However, EvD’s view is that substantially greater net gains would accrue from better, more-useful project evaluations, and by releasing substantial EvD and Banking resources for higher-value strategic and thematic work.

The EvD budget proposal for 2017 identifies resources required to deliver the work programme for 2017 and provide the basis for successful delivery of subsequent work programmes. EvD’s budget has been reduced in real and nominal terms since the current Chief Evaluator took over in 2011. Over 2016 to 2019, annual average operating expenses are projected to be 15.5% below annual average operating expenses for the period 2012 to 2015.

Board support is sought for a new work programme and budget that will:

- Build further on major progress in strengthening evaluation in the Bank;
- Reflect and reinforce wider institutional initiatives for higher impact;
- Deliver high value work better tailored to the needs of key users; and,
- Do so while extracting higher value from the limited resources available.
Current work programme structure

A strengthened evaluation system as a foundation for change

The Bank’s evaluation policy identifies the core purposes for evaluation as: contributing to institutional accountability and superior institutional performance through independent assessment of accomplishments relative to objectives. EvD’s work programme and budget has for several years translated its directives into the following core strategic objectives:

- Contribute to Board and Management exercise of strategic and operational oversight;
- Help Board and Management deliver more effective products and services, contributing to shareholder knowledge and support;
- Provide institution-level guidance and oversight for the Bank’s evaluation system to ensure its effectiveness, credibility and impact;
- Ensure that EvD work contributes to institutional performance and strengthens institutional accountability; and,
- Provide good value for money and deliver within existing resource constraints.

Much has been accomplished in recent years under a comprehensive restructuring of EvD and the Bank’s evaluation systems to serve these purposes. With changes in methods, processes and products led by EvD and with strong Board and Management support, much of the necessary infrastructure for effective evaluation is in place or in train.

With institutional support, the Bank has established that effective evaluation is a whole-of-Bank system with joint and specific responsibilities for Management, Board and Evaluation. EvD’s product offer is built upon the consensus there is a strong need to integrate evaluation and results perspectives across the full project cycle.

EvD’s basic product offer consists of thematic evaluations, operations evaluations of clusters of related projects or individual projects, and reviews and validations of operations performance assessments (OPAVs). EvD seeks to accomplish its strategic mandate in part by combining project-specific evaluations of various types with higher-level evaluations focussed on sector or programme levels (such as agribusiness, Shareholder Special Fund), or thematic issues (supply chain links; policy dialogue). The combination of products is consistent with both evaluation good practice and institutional demands and preferences.

Thematic evaluations

EvD thematic evaluations have identified gaps in systems, methods or resources that may have reduced overall performance; and provided insights into better performance management, results identification and exploitation of corporate experience and internal learning. These studies have had good traction with Board and Management in the context of a heightened commitment to demonstrating success. Most importantly, the cross-functional nature of these studies enables them to have a larger effect at the Bank.

Self-evaluation (OPA)

More rigorous self-evaluation by operations teams is now capturing operational experience more fully and systematically. The OPA process stimulates significant interchange between EvD and operations teams and demands structured thinking around project requirements and results. EvD has provided an improved instrument for effective Management and internal learning through a results framework-based OPA instrument and efforts to take full account of associated technical cooperation and policy dialogue. EvD training and hands-on advice along with increased Management attention and effort has improved OPA quality. Strengthened self-evaluation has increased understanding of wider performance issues and is now more widely seen as useful.

Validation of Self-evaluations (OPAV)

Based on the self-evaluation, EvD staff writes a companion validation report providing independent ratings and analysis. These short desk-based, project evaluations are now shared with the Board as standard practice, with main findings and ratings presented on a regular basis.

Operations evaluations (OE)

The operation evaluation involves in-depth evaluations of individual or clusters of projects. EvD has sharply reduced the number of deep evaluations of individual projects thereby freeing up substantial EvD resources or other purposes, especially thematic evaluations and evaluations of groups of related projects. Evaluations of groups of related projects clearly have wider relevance and applicability inside the Bank. They provide greater value for effort to Board and Management by providing greater coverage of operations in a fewer number of reports and a larger body of evidence on which to base findings.

These products as they have developed over time constitute a major strengthening of the Bank’s evaluation system, and provide a strong foundation for EvD to meet future challenges. The core of the work programme will remain:
– Major evaluations of sector strategies, strategic priorities and thematic issues, and programmatic initiatives
– Detailed project-level evaluations, mainly as clusters of related operations

– Short-form project-level evaluations based on desk work (OPAVs)
– Corporate evaluations
– Advisory, training and other services
Rational for modification and realignment

Changes at the Bank present challenges and opportunities.

Context

The strategic and operational changes underway in the Bank are among the most consequential in its history, and bring major near and long-term implications for operations and performance. Among the most substantial of these:

Strategic priorities and operational scope

- New commitments have been made in challenging areas such as inclusion, gender, green economy, migration and the Sustainable Development Goals
- Country strategies will be central to framing strategic and operational choices
- The Bank’s approach to transition impact is redefined
- There have been major shifts in regional and country operational activity and portfolio composition and these are likely to continue
- Focus on financial sustainability over project profitability
- Individual transactions flow is expected to remain high (400+ annually) and the outstanding portfolio has grown substantially

Internal structures and instruments

- New strategic planning and delivery instruments -- the Strategic Capital Framework (SCF) and Strategic Implementation Plans (SIP) -- are in place
- A new institution-level results architecture and management system is intended to strengthen internal decision-making capacity, performance management and longer-term strategic relevance and operational effectiveness
- Results frameworks based largely on established development practice are now mandatory for project proposals and country strategies
- Investment activity is to be joined systematically with analytical, advisory and policy dialogue work, with these different aspects of the Bank’s offer designed and delivered as a unified and coherent package
- More standardised indicators and metrics for smaller/simpler projects will reduce processing complexity and increase comparability across projects

Organisation/ resources

- Consolidated banking and policy functions will strengthen the integrated banking model; greater emphasis placed on wider results and clearer accountability; more coordinated investment and policy/analytical functions
- Overall resources will remain tightly constrained; new initiatives and priorities will require changed incentives and resource allocations
- Changes are expected in the composition and focus of management committees; points of engagement between EvD and Management will change

Rational for change

These organisational changes have been welcomed by EvD and are mostly consistent with recommendations it has made regularly in recent years, such as:

- Operational choices more clearly driven by country-level strategic priorities
- Results frameworks showing causal links between activities fully integrated in design and delivery
- Policy dialogue design, delivery and management given greater emphasis
- More clarity on expected results to establish accountability for delivery
- Transition impact more clearly identified in its country context
- Improved baseline data, performance monitoring, and results reporting

The new initiatives underway and still unfolding present EvD with major new challenges and opportunities. These are:

- Adapt performance assessment methods to the new transition concept
- Develop timely, insightful country-level evaluations as a core product
- Widen the scope of thematic work to include multiple new programmatic “initiatives” and strategic/policy commitments
- Advance the integrated approach to project evaluation, effectively combining assessment of investments, advisory and policy dialogue
- Ensure comprehensive and complete evaluation of Bank performance by being able to evaluate at the country, sector, strategic initiative, priority theme, and project levels
- Build position and capacity to evaluate in future some of the major new processes and instruments coming on line
- Achieve wider objectives within existing resource limits
- Improve the communication, uptake and absorption of evaluation findings.
Composition of EvD work programme 2017 to 2018

Overview
EvD has concluded that to meet these challenges, raise its contributions commensurate with the new opportunities, do so within tight resource constraints, and be able to adapt to future changes, it must make some targeted but substantial changes to its existing product mix, medium-term planning, and selected established practices. Specific changes are to be introduced in WP 2017 and further expanded and refined in the 2018 and 2019 work programmes.

Intensified effort across all activities will go to:

- Ensure highest added-value and cost-effectiveness;
- Produce sharper, more concise presentations and projecting findings more effectively to target audiences; and,
- Reinforce Management commitments to embed results frameworks across operations

The proposed modifications to EvD’s Work Programme draw from EvD’s own interpretations of the coming organisational changes as well as consultations with Board and Management. EvD has also surveyed Board and Management views on its products, services and profile and sponsored three focus groups with Management to identify specifically how evaluation systems and products could be more effective. EvD has also drawn heavily upon an internal Banking department survey of staff views on the strengthened self-evaluation process.

Proposed changes

Greater emphasis on major evaluations – Increased range and number

The prospective content of an EvD programme of major evaluations for the three year period 2017 to 2019 is discussed below and shown in table 1. The overall intent is to enable EvD to evaluate Bank strategy and operations more comprehensively and examine institutional performance at multiple levels. These evaluations have wider interest and contribute to a higher degree of learning. Principal points on the slate of potential major evaluations are:

- **Country level evaluations** These evaluations are a new product and an area of keen interest for both Board and Management. EvD will need to develop an effective approach and methods, and build the capacity to deliver a high level of quality and utility. New country strategy templates will only come on stream over time, and inevitably they will need time to operate before evaluation would have value. For the near-term therefore EvD proposes to focus on selected pieces of country-level thematic work. These would assess diagnostic and operational work across multiple country strategies around a specific theme such as competitiveness or energy-efficiency.

The objective would be to analyse existing diagnostic work, country strategy coverage, and operational activity in order to help inform preparation and execution of new country strategies and operational plans. This work will also build internal capacity around country-level evaluations (both in EvD and Management) and allow testing of tools and methods.

- **Sector strategy evaluations** Sector strategy evaluations are based on Management’s provisional schedule. They are timed to feed analysis and evidence into Board/Management reviews or updates which is one of EvD’s core strategic objectives. Dates shown in the table are original or most recent strategy document approval dates unless otherwise indicated.

- **Strategic priority/initiative evaluations** These evaluations will cover some of the Bank’s special programmes and strategic initiatives, and provide insight into concordance with Strategic Implementation Plans. This would also be the area under which EvD would assess an over-arching or key horizontal issue such as additionality.

- **Corporate evaluations** Completion of specific corporate evaluations anticipates interest in early assessment of major recent initiatives focussed on strengthening the channels through which the Bank seeks to deliver results. These evaluations would need to be chosen and scoped very selectively for maximum value and relevance and to be timed to ensure objective feedback at a time when it will be useful.

- **Cluster project evaluations** As is now the case, a limited number of multi-project “cluster” evaluations (OEs) will focus on specific operational or thematic issues likely to be of broader value, and also provide analytical content for future evaluations.

Standard practices for all major evaluations will include the following:

- EvD will target completion of special studies within 12 months of initiation.

- Launch of each evaluation will be preceded by preparation of an Approach Paper setting out its scope, key issues to be addressed, timetable, and resource needs

- Each will be produced by a small team of EvD colleagues under the leadership of a single evaluator. This is expected to accelerate production and ensure multiple perspectives and contributions.

- Work will be augmented with specialised consultant services where needed, and consistent with budget constraints.

- Final reports for all major evaluations will be no longer than 35 pages.

The matrix in table 1 shows the specific new evaluations that EvD recommends be launched in 2017, targeted for delivery within 12 months. Sector strategy evaluations are to be completed sufficiently upstream to feed into
Management’s work on revisions/updates. Proposals for project-level evaluations reflect analysis developed further below. EvD will also contribute in other ways to sector-related work. For example, since work on a new mining strategy is already underway, EvD will seek to provide the team with informal assessment of work in progress. Project-specific evaluations will be selected wherever possible so as to provide analysis/findings that can feed usefully into future work.

As noted above, all major evaluations begin with an approach paper intended to set out their scope and targets. These are discussed with management to ensure relevance and appropriate focus and mutual understanding of resource needs and key lines of inquiry.

Brief further development of the anticipated scope of major evaluations in 2017 follows:

**Equity Operations:** The EBRD has elevated the strategic importance of equity investment and made substantial changes in how it delivers and manages equity investments. Together with the challenging environment these changes make an evaluation of the performance and operations of the EBRD’s direct equity and private equity portfolios both timely and valuable. EvD will build on its evaluation of equity initiatives in 2014 and the important operational changes since then. EvD is aware of time and resource pressures on the equity department and will structure and pace its work accordingly.

**Energy Sector Strategy:** The current strategy dates from late 2013 and is scheduled to be updated by late 2018. It will provide an evidence-based strategic and operational assessment directly relevant to multiple initiatives (such as the green economy transition) and country strategies, and to Board and Management review. The evaluation will among other things encompass the operationalisation of strategic priorities, assess evidence of results relative to objectives, and review issues related to execution and delivery of the strategy.

**Transport Sector Strategy:** The current strategy dates from late 2013, with an assessment and update targeted for late 2018. EvD’s broad approach will be as set out above for the Energy Sector Strategy.

**Additionality:** Ensuring that EBRD operations provide additionality remains one of the Bank’s core mandates and most distinctive institutional objectives. Identifying channels through which additionality is expected to operate and assembling evidence for these effects is a significant challenge for the Bank and has been since its inception. An evaluation of the intended operational delivery of additionality and the institutional tools/practices through which it has been benchmarked, assessed and reported will provide valuable insights for Board and Management as new concepts are developed and new approaches piloted.

**Country Strategy Thematic Issues:** EvD will review one or two strategic/thematic issues across a group of 3 to 4 selected country strategies. A main objective would be to explore the diagnostic basis for the strategic focus and its operational execution in practice, and from this to draw guidance for the development of new country strategies under the new approach. These evaluations will not be performance assessments of existing country strategies; instead it is expected that findings will shed light on targeting priorities, results frameworks, internal collaboration and cooperation with other institutions, and other issues likely to be useful to Board and Management as new country strategies and operational programmes are developed. Choice of thematic focus would be determined based on the new transition concept; for example, under “resilient” we could examine food and energy security across a group of countries; under “inclusive” we could examine access to finance or job creation.

Potential candidates for evaluation are shown for 2018 and 2019 based on projections of Management and Board review of ongoing and/or newly introduced programmes, strategies and initiatives. In principle EvD would aim to complete an evaluation sufficiently upstream to constructively inform Board/Management assessment or revision. However this list does not represent either an EvD proposal or a comprehensive possible pool for evaluation. Future work programmes will need to reflect priorities and opportunities, prospective organisational impact, and Board preferences; in any event future work programmes will be fully discussed with Board and Management before approval. It is clear that the number and range of possible items far exceeds EvD delivery capacity.

Several specific items in the draft list presented to the Audit Committee have been dropped based on guidance from Board members or further background information from Management. For example, given the scope and volume of recent EvD work on municipal and environmental infrastructure issues, the incremental benefit from doing a sector strategy review at this point is unlikely to be as great as other work. Strategic selectivity focussing on high relevance and value for money will be EvD’s continuing objective. EvD will carefully consider valuable Board suggestions for potential topics for future EvD evaluations. It will consult on options and priorities with Board and Management during the course of 2017 and specific proposals will be made in the work programme for 2018.
Table 1: Outlook 2017-2019

<table>
<thead>
<tr>
<th>Confirmed 2017 evaluations</th>
<th>Potential 2018 evaluations</th>
<th>Potential 2019 evaluations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sector/thematic strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity operations</td>
<td>Legal Transition Programme (evaluated 2012)</td>
<td>Small Business Initiative (2013)</td>
</tr>
<tr>
<td>Transport Sector Strategy (10/2013)</td>
<td>Use of Subsidies (Phase II)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Strategic priorities (SCF 2016-2020) and/or special programmes</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Additionality Concept</td>
<td>Infrastructure Project Preparation Facility (10/2014)</td>
<td>Green Economy Transition 2016-2020</td>
</tr>
<tr>
<td></td>
<td>Women in Business Programme</td>
<td>Investment Climate and Governance Initiative (2014)</td>
</tr>
<tr>
<td></td>
<td>Sustainable Energy Initiative (Phase III)</td>
<td>Strategic Capital Framework 2016-2020</td>
</tr>
<tr>
<td></td>
<td>Food security/Private Sector Initiative (2011)</td>
<td>Shareholder Special Fund (Phase II)</td>
</tr>
<tr>
<td></td>
<td>Improving corporate governance</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Corporate evaluations</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow-up on EvD Recommendations</td>
<td>Knowledge Management in the Bank</td>
<td></td>
</tr>
<tr>
<td>Results Frameworks and Management</td>
<td>Application of new Transition Concept</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Country-level evaluations</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-corruption initiative in Ukraine</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Project evaluations (operation evaluations and OPAVs)</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakh Rail Sector Operations</td>
<td>2 Project Clusters (Theme TBD; possibly health sector; cross-border/regional integration)</td>
<td>Cluster of technical cooperation initiatives – TBD</td>
</tr>
<tr>
<td>Project Cluster - TBD</td>
<td>10 OPAVs</td>
<td>Cluster of Projects (Theme TBD – possibly climate operations)</td>
</tr>
<tr>
<td>Cluster of technical cooperation initiatives – Theme/topic TBD</td>
<td></td>
<td>10 OPAVs</td>
</tr>
<tr>
<td>10 OPAVs</td>
<td></td>
<td>10 OPAVs</td>
</tr>
</tbody>
</table>


**Fewer and more selectively-focused project evaluations**

EvD will produce fewer overall project-specific evaluations, and ensure they are strategically focussed and of high value to the Board and Management, and more relevant and useful to operations staff. The case for change in methods and product mix is rooted in the experience of the past several years, the feedback and changing needs of EvD’s primary clients, resource realities for EvD and Management, and the opportunities presented by the changing institutional context.

### Table 2 Illustration of past project selection

<table>
<thead>
<tr>
<th>Evaluation ready projects (total of 161 for 2016)</th>
<th>120 self-assessments (OPAs) covering 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPA Review (65)</strong></td>
<td><strong>OPA Validation (54)</strong></td>
</tr>
<tr>
<td>- Random selection</td>
<td>- Random selection</td>
</tr>
<tr>
<td>- OPA quality review and feedback by EvD</td>
<td>- OPA quality review and feedback by EvD</td>
</tr>
<tr>
<td>- Desk review for adequacy and completeness</td>
<td>- Desk review of full project file; may include field visit</td>
</tr>
<tr>
<td>- No EvD ratings</td>
<td>- Self-ratings by operation teams</td>
</tr>
<tr>
<td></td>
<td>- Independent EvD ratings</td>
</tr>
<tr>
<td></td>
<td>- Circulated to Board in full</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Findings & lessons

Findings & lessons

Findings & lessons Recommendations

The core element of the recommended new approach is that EvD will move away from its current mix of purposeful and random selection of projects for evaluation to an entirely purposeful selection process.

The intent of the current stratified random selection method is to produce independent ratings of a sufficient number of randomly selected projects so that those ratings may be said to be statistically representative of overall project performance at a 95% confidence level. This approach is one of several employed across the IFIs that is consistent with good practice standards identified by the Evaluation Cooperation Group.

However, with average annual project approvals now higher, including many more under frameworks, and the overall pool of active projects much larger, the claim on EvD and Management resources needed to meet this standard has also grown substantially. Absent allocation by both sides of substantially more resources for this work, which would necessarily be away from other priorities, the current approach is unsustainable.

Another consideration around EvD’s recommended change is that it would produce a discontinuity with the historical performance ratings series presented in EvD’s Annual Evaluation Review. This is true. However, a discontinuity was already certain given the shift to a new transition impact concept and metrics and other enhancements to project performance rating. Thus EvD in fact must move to a different ratings reporting method irrespective of any other changes it may choose to make.

### Highlights of the OPAV experience since 2012

These considerations are reinforced by a careful assessment of experience to date and the imperative of extracting highest value from existing resources. Specific factors that deserve weight are:

- A key driver of the current selection process has been the annual evaluation review the main purpose of which for many years has been to report to the Board on aggregate project performance as determined independently by EvD. In fact, aggregate ratings have remained very steady over a period of years and in practice seem to generate little insight beyond that the annual evaluation review format and content changes in recent years confirm that there is much greater interest on the part of Board and Management in thematic questions and specific performance issues of a kind not well served by aggregate randomly generated ratings, and in findings produced by looking purposefully at sub-sets of projects.
– Random selection inevitably turns up many projects that offer little in the way of wider findings and insights – small, specialised and context-specific, or without distinctive features. Smaller, less risky or impactful projects do not necessarily require proportionately less work on the part of EvD or Management. In these cases the more resource intensive independent evaluation by EvD represented by an OPAV (which also adds costs for Management) is unlikely to yield much useful insight beyond that produced already by Banking’s mandatory self-evaluation (reviewed by EvD). Diminishing returns for all can set in quickly.

– At the same time randomly set pools make EvD strategic selectivity much more difficult. Board and Management have valued the “OPAV Clusters” EvD has presented, and EvD wishes to produce more of them. However, under the current random process we must “take what we get.” Obtaining critical mass of, say, 5 to 8 OPAVs that illuminate a specific theme or problem of interest to Board and Management has proven more difficult than expected, and EvD has struggled to mainstream a product for which there is high interest and perceived value.

– Team feedback, surveys and EvD’s own experience confirm that there are regular cases where for a variety of reasons projects simply don’t have features that either require or reward deeper assessment beyond self-evaluation. There are frequently cases where it is difficult to find value commensurate with effort; meanwhile it is clear that there are other cases offering abundant potential value that simply weren’t identified by the random look. As demands grow relative to resources it is critical for the system that OPAVs are considered good value; when this is the case wider traction and profile will follow.

– With 400+ new transactions per year Board and Management have signalled that they would value more such project cluster work assessing experience and performance across larger project groupings offering more broadly applicable findings and lessons. The only way for EvD to deliver this is through purposeful selection and bundling of projects for closer evaluation.

– EvD recommended strongly and the Board approved that individual OPAVs be circulated to the Board as a matter of standard practice. This has likely contributed to transparency and shared knowledge, and the fact of this circulation has reinforced incentives for good quality work. However, after the experience of several years it is clear that individual OPAVs struggle for profile and impact amidst the huge flow of material into Board in trays. In their current form this is certain to continue.

– Self-evaluation templates (designed by EvD) have become substantially stronger in part to enhance the value of OPAVs. Management has made significant strides in improving their overall rigour and quality. Recent modifications focus further on the causal links between Bank activities and transition objectives, looking coherently at investments and associated technical cooperation initiatives, and drawing out further the evidence behind ratings. However, the necessary resource input from Banking and EvD is also greater, independent of the wider value or use of the final product, and at a time of higher competing demands.

– Use by Management of individual OPAVs appears limited to passive sharing among narrow groups of closely interested staff; horizontal sharing across departments appears to be rare. The audience for the evaluation of an individual project is limited. On the other hand surveys confirm that multi-project evaluations generate more interest, attention and uptake. There is also better uptake when high-value OPAVs get singled out for recognition.

– The OPA is completed four years after signing on average. While there is no doubt merit in doing a solid ex post evaluation, it is less clear how much wider institutional value is routinely drawn from single-project results well after the fact and when the project team has moved on.

– One of the intended purposes of doing more and more rigorous OPAVs was to help drive better self-evaluation and narrow the large gap between self-rated performance and EvD-rated performance. Substantial progress has been made, and surveys confirm an overall positive view of the value of stronger project self- and independent evaluation. This suggests that there is likely some positive internal momentum.

Moving to higher impact OPAVs

It is clear that a higher value, higher impact and more cost-effective approach to OPAVs and the OPAV system can be developed on the basis of the experience to date. Beginning in 2017 EvD will proceed on the basis of the following approach:

– Annual identification of evaluation ready projects jointly by EvD and Management will continue. This produces a “ready” pool of approximately 160 projects.

– As under current policy operations teams will prepare self-evaluations (OPAs) for these evaluation-ready projects.

– The standard self-evaluation template (OPA) will be modified to reflect changes in ratings methods. It will also be streamlined wherever possible in order to focus team and EvD efforts on key performance metrics, findings and lessons. As noted above EvD will continue to provide operations teams with support as they prepare these.

– EvD will review all such final OPAs for quality and completeness, and collect findings and date for reporting. After the “ready list” has been compiled EvD will purposefully (and in consultation with Management) identify projects for which it will prepare its own evaluations (Validations – OPAVs)

Thus EvD will deliver the following under the revised approach to OPAs and OPAVs for 2017:
Reviews/quality assessments of approximately 140 operational self-evaluations (OPARs);

Approximately 10 independent, desk-based validations (OPAVs) of project self-assessments. This will include evaluation of individual projects with features of particular interest and importance, as well as cluster OPAVs of multiple operations related by sector, country or thematically.

**Full project evaluations (OEs)**

EvD has already moved in recent years to a more purposeful and selective approach to full-scale project level evaluations (Operation Evaluations or OEs). Its completion of a limited number of strategically selective OEs has been well received by both Board and Management. For 2017 EvD will again, with Management, purposefully identify projects from the ready pool for which full-scale OEs will be completed. These may be individual projects or small clusters of projects related thematically, by sector, or on the basis of particular features from which useful insights may be expected.

- In 2017 EvD will evaluate Kazakh rail sector operations, an area of substantial activity and Board interest.
- The close EvD/management joint review of the “ready pool” now underway will also identify another such project cluster for Operation Evaluation in 2017.
- Finally EvD will also evaluate a cluster of technical cooperation initiatives, again purposefully selected after a careful review of eligible operations.

**Responding to Board interests and concerns**

During Audit Committee discussion on 7 November Board members sought additional treatment from EvD of a number of specific concerns. These included:

- Further detail on the criteria EvD uses for purposeful selection of projects for independent evaluation;
- Consistency of proposed new EvD selection criteria with peer standards and good practice established by the Evaluation Cooperation Group (ECG); and
- Assurance of continued EvD quality review of self-evaluations by operations teams.

This section addresses these concerns below.

**Selecting self-evaluations for validation**

The objective of purposeful selection of self-evaluations for independent validation by EvD is to identify and concentrate effort on specific transactions expected to illuminate issues of wider strategic and/or operational relevance, providing evidence, insights and learning of particular value to the Board and Management. EvD will establish a revised project selection process for this purpose. An initial approach will be piloted during the forthcoming selection process and refined further on the basis of engagement with colleagues in banking and policy departments. A first set of criteria will be used to identify a smaller set of projects to be analysed from the larger set of unevaluated projects. Those criteria may include:

- Is the project relevant to future evaluations in the work programme?
- Did the project present unusual transition expectations and/or risks
- Is it an important element of a strategic initiative?
- Does it link thematically to multiple other operations in the evaluation “ready” pool?
- Does it have particularly substantial co-finance and/or technical cooperation elements?

After a manageable and potentially information-rich set of projects is identified, more in-depth criteria will be applied for purposeful selection:

- Project(s) which drew substantial Board interest or otherwise had a high profile
- There is a significant policy dialogue or institutional reform dimension
- Appropriate timing and value for input into new strategic or thematic evaluations
- Clear linkage to the strategic implementation plan themes and key priority areas, especially new ones
- Potential to provide evidence for wider Bank policy issues such as graduation, sustainability, and regional focus

As it does now, EvD will also seek to stratify selections to ensure that projects of varying value, country, sector, operation type are represented over the course of a multiyear programme. In order to boost learning and provide multiple perspectives on Bank performance, we may develop yearly themes which could contrast more successful and less successful projects to provide learning on success and failure, concentrate efforts on sectors not scheduled to be covered by larger studies in the near future to provide interim feedback, or focus a set of validations around repeat transactions or a cross-cutting theme to provide project-level analysis.

EvD will prepare an information report for the Audit Committee after concluding this initial effort; which could be discussed by the Committee on request.

**New selection criteria and good evaluation practice**

The change in selection methods presented by EvD is consequential for several reasons. A clear positive is that it will allow EvD to increase range and value of its evaluation work within its existing resource envelope. On the other side, however, EvD will no longer be able to claim that its performance ratings for a subset of EBRD projects provide a statistically valid representation of the Bank’s project performance as a whole. Board members therefore sought assurances that the EBRD’s approach would be consistent with established practices and
methodologies in comparator organisations, and not create reputational or integrity issues for the EBRD. Assurances can be provided on both counts. In summary:

- Purposeful selection is compliant with the Bank’s Evaluation Policy, and well-suited to the EBRD’s particular evaluation challenges and strategic objectives as they exist today.
- Purposeful selection is consistent with Evaluation Cooperation Group good practices.
- Purposeful selection is used systematically across the international financial institution system.

The EBRD evaluation policy directs EvD to develop standards and methods for evaluation based on its professional judgement, drawing on established international standards and methods and taking account of specific circumstances in the EBRD context. The policy also states:

“For learning purposes, subjects are chosen for evaluation likely to yield relevant and timely findings, lessons and recommendations ...”

The Evaluation Cooperation Group’s Book of Good Practices identifies random sampling as preferred when evaluation coverage is less than 100% and where the intent is corporate level reporting. It also identifies "relevant characteristics for testing the representativeness of the sample as including: industry sector; country; region; project size; investment size; IFI instrument of support; incidence of loan impairment or equity write-down”

In practice these are challenging criteria to meet where transactions are demand driven and opportunistic it is in part for this reason that Evaluation Cooperation Group practices also state:

"[Evaluators] may select a purposeful (self-selected) sample of projects to be evaluated. Reasons for selecting a purposeful sample could include the potential for learning; the high profile of an operation; credit and other risks; the sector is a new one for the IFI; the likelihood of replication; or the desirability of balanced country and sector coverage.”

In practice this has been the approach most commonly used across the international financial institution system, and adoption of purposeful selection by EvD will not make its standards less rigorous than those of other institutions. The World Bank’s Independent Evaluation Group has long used purposeful selection, and the independent evaluation departments in all of the regional development banks do as well. The European Investment Bank, for its part, does not routinely produce project-based evaluations but instead focuses on purposeful selection at the sectoral level.

Established evaluation methodology argues that when the analytical work of the evaluators is largely focused on qualitative factors (as it is for our purposes here in EBRD – especially transition impact and demonstration effects), purposeful selection is appropriate; when more purely quantitative results are sought, random selection is more appropriate. As one global evaluation expert stated, “What would be a “bias” in statistical sampling, and therefore a weakness, becomes an intended focus in qualitative sampling and therefore a strength. The logic and power of purposeful sampling lies in selecting information-rich cases for in-depth study.”

EvD will provide the Audit Committee and Board with a final list of all project-specific evaluation work to be initiated in 2017 after the detailed selection, review and agreement process with Management – now fully underway–has been completed.

**Quality review of self-evaluations**

As noted above for operations identified jointly by Management and EvD as evaluation-ready a self-evaluation (Operation Performance Review – OPA) is prepared by the Banking team. EvD is involved in this process in several ways and at several stages in order to accomplish multiple objectives: consistency in methodology, standards, and presentation; advice and assistance for operations teams; quality enhancement; mutual learning for both EvD and Operations teams. While there is always room for improvement, surveys and informal feedback confirm that this process, in place now for several years, is widely seen as performance-enhancing and value-adding.

Board members have sought assurance that the changes in EvD methods and product mix for 2017 will not undermine EvD’s important role if quality assurance. The following points offer the basis for that assurance:

- EvD retains responsibility for the design and content of the self-evaluation template (OPA);
- EvD will continue to review all completed OPAs, providing feedback and guidance to teams for improvement where necessary;
- EvD will complete a brief final review of OPAs for quality and completeness;

EvD will provide periodic feedback to operations teams on this work and will continue to cover it in the Annual Evaluation Review.
Expected benefits of proposed changes

The programmatic and process changes recommended for the EvD Work Programme in 2017 and beyond are expected to yield substantial benefits to the Board, Management and staff, and EvD.

- Greater strategic relevance and insight and improved assessment of performance will be provided by strengthened provision of thematic and clustered evaluations.
- The addition of country-level evaluation will provide essential objective analysis of work intended to act as the strategic anchor for Bank operations, contributing to both accountability and institutional learning and performance.
- There will be better and more consistent evaluation coverage of countries, sectors and strategies, providing Board and Management with evidence-based feedback in advance of strategic reviews and key decision points.
- Assessment of performance of multiple versus individual projects will yield more insightful and meaningful findings with greater applicability and value to a wider audience.
- Scarce EvD resources will be redeployed toward new priorities and higher impact work. The Board’s limited time and resources for evaluation matters will be similarly refocussed.
- Individual evaluation products will lend themselves more consistently to the needs and interests of a wider audience, internally and externally.
- Similarly, Management-side resources will be focussed more heavily on activities that it regards as of higher value; evaluation’s overall resource claim on Management is expected to decline.
Engagement, reporting and information services

Engagement in Bank process review and reform

EvD has sought to engage constructively in the numerous institutional initiatives introduced in recent years, starting with working groups introduced to provide input for modernisation, “One Bank” and results efforts. From this work followed input for more recent Board/Management work on, for example, review of the transition concept, revision of the approach to country strategies, incorporation of results frameworks more widely; and the numerous ambitious initiatives emerging from the Operation Effectiveness and Efficiency (O&E&E) work. This includes Project Christopher; transition ratings streamlining; results and knowledge management; and, technical cooperation advisory work.

EvD has welcomed Management’s receptivity and active engagement and has been pleased to contribute where it can. Cooperative and progress-focused engagement will continue in 2017.

Annual report

The annual evaluation review is EvD’s flagship publication. It has been restructured to serve as a reporting tool to the Board and public on EvD products, activities and key findings, and as a vehicle to present policy-relevant pieces of analysis to Board and Management in compact form. EvD will continue with this approach in 2017 and plan to deliver the report before the Annual Meeting.

Follow up on EvD recommendations

As of this year responsibility for preparation of an annual report on management’s follow-up on EvD recommendations has been formally shifted from EvD to Management. Management is now responsible to initiate and deliver an annual report to the Board providing detail on specific steps to implement EvD recommendations and the status of these efforts. EvD’s formal role in the process, agreed with Management and the Board, is to provide independent comment on management’s report. EvD will do so for management’s first such annual report, due this year, and for reports in subsequent years.

External review of EvD

The potential value of an external evaluation of individual evaluation departments has been widely acknowledged in the evaluation community and beyond. EvD has indicated its support for such a review and has accordingly launched some preparatory work intended to provide guidance on how best to proceed. Under EvD leadership the Evaluation Cooperation Group (ECG) is preparing a Practice Note to identify basic characteristics that should be met by such an exercise, which is expected to be finalised by year end.

EvD will present a formal proposal to the Audit Committee for an external evaluation to be launched in 2017, setting out the approach, timeline, expected output and resource requirements. Good practice for such external evaluations includes preparation of a thorough self-evaluation by EvD in advance. Allowing for completion of this essential preparatory internal work, delivery of the final external evaluation would be expected in 2018. Completing this work to a high standard will require incremental resources, set out in greater detail in EvD’s budget request the table below.

Knowledge management and Information resources

EvD seeks to increase its knowledge dissemination and make a wider and more useful range of evaluation material available to the Board and Management. The objective is to encourage greater visibility, awareness and uptake of experience and lessons, provide the Board with the means to engage more effectively on performance and effectiveness issues, and contribute directly both to institutional accountability and institutional learning.

Operation Evaluations (OEs) are circulated in full to Board and Management; summary versions redacted for confidentiality consistent with the Bank’s Public Information Policy are published on the Bank’s external website. Thematic Studies are circulated in full internally and published in full on the external website as standing practice. EvD would expect to handle country-level evaluations in the same way. Presentation of completed special studies to staff is now standard practice and will continue. Operation Validations (OPAVs) are circulated in full to Board and Management.

The EvD Lessons Database presents relatively recent and operationally relevant lessons from completed evaluations, including lessons drawn from Operation’s self-evaluations. It is intended especially to be of value to staff at the concept and design stages of project development, looking for relevant findings from evaluated projects.

EvD has been working on refinements to the IT platform to improve usability and value. For example it is seeking to make the lessons database more easily updatable, including by operations staff. The objective is to improve capture of most recent project-specific performance knowledge in order to extend the shelf-life and relevance of this valuable resource. However, while some progress has been made it falls short both of what had been hoped and what is possible.

We look forward to full engagement with Management on the IT renewal process. Relatively modest upgrades would yield high returns in the usability and impact of evaluation material at a time when results are intended to have a much higher Management profile.
International engagement and collaboration

EvD actively uses opportunities to strengthen its external engagements and to build selectively upon its existing professional network.

The most significant engagement is with the Evaluation Cooperation Group (ECG). This comprises the heads of evaluation in major international financial institutions, which is a very valuable forum for professional exchange.

EvD was host of the Evaluation Cooperation Group this year and will continue to participate actively in 2017. EvD has also expanded its external engagement in two other areas. It participates actively in evaluation-related work under the auspices of the Organisation for Economic Cooperation and Development’s Evaluation Cooperation Group, which is the primary forum for heads of evaluation of country development agencies. And it is engaged substantially in the work of the European Evaluation Society, particularly its working group on private sector evaluation. Effective engagement with both of these fora will continue in 2017.
EvD staffing, administration and budget

Under the Bank’s evaluation policy EvD’s budget is prepared on a stand-alone basis. It is distributed to the Board of Directors, first for review by the audit committee and the budget and administration affairs committee and then for approval by the Board at the same meeting as consideration of the Bank’s overall business plan and budget. The EvD budget proposal for 2017 submitted herewith identifies the resources required to deliver the work programme for 2017 and provide the basis for successful delivery of subsequent work programmes.

EvD’s structure and staffing profile have been reshaped substantially in recent years entirely within existing headcount (17) and budget. A new deputy chief evaluator was appointed in May 2016 after a thorough international competitive search process. EvD will enter 2017 with a full staff complement, with no vacancies. EvD has been reviewing its “steady-state” operational capacity based on existing structure and staffing. We will develop this analysis further to incorporate EvD’s new products and product mix, as well as take the full range of EvD services (such as training) more effectively into account. This will strengthen the basis on which EvD is able to estimate costs of individual studies for planning and monitoring purposes.

Other specific issues affecting capacity include: a staff member is on open-ended extended medical leave; another staff member will be on unpaid leave until late 2017; and, a third anticipates extended absence during 2017 for personal reasons. EvD will use what flexibility it has to back-fill on a temporary basis; however significant capacity constraints (despite full staffing) will be an important factor in 2017.

EvD’s budget has been reduced since the current chief evaluator took over in 2011. Total operating expenses were lower in nominal terms in both 2013 and 2016 and are budgeted to remain below the 2010 to 2015 average through 2019. The table below shows historical data since 2010 and, for the first time, projected data for the three-year strategic implementation plan from 2017 to 2019. Board attention is drawn to two specific items. First, the substantial reduction in total staff costs since 2014 reflects a mostly unchanged salaries line coupled with the bank-wide decision to budget retirement costs centrally; those costs are shown outside of EvD operating expenses. Second, EvD’s travel request was reduced for this year reflecting changes in its product mix; and IT costs are not allocated departmentally.

The picture for EvD’s consultancy budget between 2010 and 2019 is affected by several factors – baseline budget request; crediting of accrued Management provisions; and an incremental budget request for 2017. Between 2010 and 2015 EvD’s request was held unchanged at £507,000. EvD restructuring and related personnel matters over the period resulted in prolonged staff absences and vacancies, which produced a combination of unspent salary funds and incremental need for consultancy resources to complete agreed work. The net management provision carried as a result of this was added to EvD’s baseline £507,000 consultancy request for 2016, raising it to £706,000. EvD projects consultancy spending of £550,000 in 2016, again to backfill for staff on extended medical leave. The remaining unspent portion of the management provision credited for this year will return to general funds.

EvD’s consultancy budget request of £600,000 for 2017 includes incremental funds to complete the independent external evaluation discussed earlier. Reducing the consultancy budget to £550,000 in 2018 and 2019 reflects steady-state requirements as well as incremental demands for special skills relating to new country-level evaluation work and new methodology reflecting Bank-wide changes under operational effectiveness and efficiency and the SCF.

EvD’s total operating expenses 2016 to 2019 are projected to average £2,516,000, down from an annual average of £2,979,000 from 2012 to 2015.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Salary Costs (excl. Bonus)</td>
<td>1,250</td>
<td>1,363</td>
<td>1,409</td>
<td>1,441</td>
<td>1,483</td>
<td>1,370</td>
<td>1,367</td>
<td>1,367</td>
<td>1,367</td>
<td>1,367</td>
</tr>
<tr>
<td>Other Staff Costs</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Allocated Staff Benefits</td>
<td>824</td>
<td>898</td>
<td>951</td>
<td>975</td>
<td>997</td>
<td>511</td>
<td>389</td>
<td>349</td>
<td>349</td>
<td>349</td>
</tr>
<tr>
<td>Staff Costs Recovery</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Staff costs</td>
<td>2,081</td>
<td>2,268</td>
<td>2,367</td>
<td>2,423</td>
<td>2,487</td>
<td>1,888</td>
<td>1,769</td>
<td>1,748</td>
<td>1,748</td>
<td>1,748</td>
</tr>
<tr>
<td>Consultancy Costs</td>
<td>507</td>
<td>507</td>
<td>507</td>
<td>507</td>
<td>507</td>
<td>507</td>
<td>707</td>
<td>600</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Legal Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel Costs</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>116</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Hospitality Costs</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other Direct Costs</td>
<td>56</td>
<td>58</td>
<td>58</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Allocated IT Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Non-Staff costs</td>
<td>686</td>
<td>687</td>
<td>687</td>
<td>689</td>
<td>689</td>
<td>686</td>
<td>867</td>
<td>763</td>
<td>713</td>
<td>713</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>2,767</td>
<td>2,955</td>
<td>3,054</td>
<td>3,112</td>
<td>3,176</td>
<td>2,574</td>
<td>2,634</td>
<td>2,511</td>
<td>2,461</td>
<td>2,461</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>2,767</td>
<td>2,955</td>
<td>3,054</td>
<td>3,112</td>
<td>3,176</td>
<td>2,574</td>
<td>2,634</td>
<td>2,511</td>
<td>2,461</td>
<td>2,461</td>
</tr>
</tbody>
</table>
The Evaluation department (EvD) at the EBRD reports directly to the Board of Directors, and is independent from the Bank’s Management. This independence ensures that EvD can perform two critical functions, reinforcing institutional accountability for the achievement of results; and, providing objective analysis and relevant findings to inform operational choices and to improve performance over time. EvD evaluates the performance of the Bank’s completed projects and programmes relative to objectives.

This work programme has been prepared by EvD and is circulated under the authority of the Chief Evaluator. The views expressed herein do not necessarily reflect those of EBRD Management or its Board of Directors. Responsible members of the relevant Operations teams were invited to comment on this report prior to internal publication. Any comments received will have been considered and incorporated at the discretion of EvD. Whilst EvD considers Management’s views in preparing its evaluations, it makes the final decisions about the content of its reports.

Nothing in this document shall be construed as a waiver, renunciation or modification by the EBRD of any immunities, privileges and exemptions of the EBRD accorded under the Agreement Establishing the European Bank for Reconstruction for Development, international convention or any applicable law.

© European Bank for Reconstruction and Development

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, without the written permission of the copyright holder. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.