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# **EvD Work Programme 2019 to 2020 and Budget 2019**



**European Bank**  
for Reconstruction and Development

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## Executive Summary

EvD's core objective is to deliver high-value evaluation products and services that help Board and Management improve EBRD's effectiveness from the project level through to the strategic level. This Work Programme and Budget for 2019-20 sets out for Board review and approval a set of specific proposals to accomplish this. The Work Programme includes the following main components.

- Evaluations focussed on specific strategic or operational issues will continue to get priority weight and be of two broad types. Thematic evaluations tend to focus on cross-cutting, strategic or corporate issues; they are often anchored in a specific strategy or strategic initiative, and seek to contribute to decision-making for the future. Project-focussed evaluations, mostly built around multiple related transactions, seek to identify operational and strategic issues through the lens of transactions-level performance, and provide evidence-based findings for country/sector/strategy evaluation work.
- All will be selected for relevance, timeliness and prospective strategic value; all will build on previous work wherever possible and/or provide analysis valuable for ongoing or anticipated areas of Board/Management focus and concern.
- Thematic evaluations in 2019 will include several cross-sectoral topics of standing concern to the Board and central to Management's ongoing strategic review. Project cluster evaluations will be more numerous than in the past, providing a first look at new operational areas and using the new transition qualities as a lens for the first time.
- Shorter evaluations will be completed for 12-15 individual projects selected for relevance and value. EvD quality review and advisory will continue for self-evaluations of completed projects now prepared on a mandatory basis by operations teams.

EvD will work to strengthen the effectiveness of its and the Board's engagement with Management, including with respect to coordination, follow-up on recommendations, and results management.

Completion of EvD's first independent external evaluation will likely be occasion for reflection on its approach and priorities; EvD will support engagement and follow-up.

EvD's budget request for 2019 is below that for 2018 and its long-term average since 2011. Recruitment to fill vacancies will ensure full staffing, diversity and skills renewal. Consultancy and travel needs have been reduced due to EvD's revised product mix and practices.

# 1 Work Programme Overview

## 1.1 Effective Evaluation as a Source of Value

The core purpose of evaluation in EBRD is to contribute to superior institutional performance through objective assessment of accomplishments relative to goals.

Effective evaluation relies on a whole-of-Bank system with joint and specific responsibilities for Management, Board and the Evaluation Department (EvD). EvD's specific role and work are built upon the proposition that evidence-based assessment of performance relative to expectations is critical for institutional accountability and improvement and that evaluation and results perspectives should be integrated across the full project cycle.

Much has been accomplished under a multi-year restructuring of EvD and key Bank evaluation tools to serve these purposes. With changes in EvD methods, processes and products, with strong Board and Management support, much of the necessary infrastructure for effective evaluation is in place.

The combination of multi- and single-project evaluations and higher-level evaluations focussed on sector, programmatic or thematic issues used by EvD is consistent with evaluation good practice, institutional policy and operations, and the evolving demands and preferences of shareholders and Management. It has also enabled contribution to evidence-based analysis and Board oversight of the Bank's many new strategic initiatives.

## 1.2 EvD Products and Services

EvD priorities and mix of products and services have adapted continuously to institutional circumstances and opportunities including: new institutional strategies and initiatives; changing expectations for demonstrable results; feedback on product value and performance; institutional learning needs and effectiveness; and, geographic expansion.

- **Thematic/Strategic evaluations.** Thematic/strategic evaluations provide insights into performance management, results identification and internal learning and are increasingly viewed as a core component of the institution's internal strategy review cycle. They present valuable performance feedback and identify gaps and opportunities in systems, methods or resources that can contribute to performance. With sharper focus, higher quality and more cross-cutting scope these studies have been a priority for EvD in recent years. They are increasingly valued by Board and Management and seen as contributing positively to internal discussion and institutional development.
- **Project evaluations.** Project-specific evaluations provide close review of individual or clusters of projects, covering design, implementation, monitoring and effectiveness. EvD has largely discontinued heavy single-project evaluations in favour of evaluating clusters of projects sharing common features or attributes (sector; design elements; strategic drivers). Cluster project evaluations provide greater value for effort to Board and Management by covering a larger body of evidence on which to base findings, and capturing design and performance features in different circumstances. Strategically chosen, they also provide detailed input into the broader sector or thematic evaluations that are highly valued by Board and Management.

- **Validation of Self-evaluations (OPAV).** Ex post evaluation of projects is done by operations teams on projects that are completed and considered evaluation ready. These self-evaluations use an EvD-designed template blending key performance data with structured thinking around project design and results, systematically including associated TC and policy dialogue. Strengthened self-evaluation has increased understanding of wider performance issues and is now more widely seen within Banking as useful. Based on a comprehensive annual review of evaluation-ready projects done in collaboration with Management EvD selects those presenting issues of particular relevance and importance with particular emphasis on supporting larger thematic or cluster evaluations, topics relevant to the Board, and linkages to strategic initiatives. EvD uses the self-evaluations for these projects and other analysis to prepare independent validations providing evidence-based analysis and performance assessment. OPAVs are shared in full with the Board.
- **Advisory, training and other services.** EvD provides advisory and training activities to operations on a regular basis. This includes: evaluation components of core banker training courses; self-evaluation training and hands-on advisory work in specific cases; evaluation-specific presentations to operations teams; and, tailored training and briefing offerings to field office staff. In addition, EvD advises on evaluability and development of results indicators for Management strategies and programmes on an ad hoc basis.

## 2 Main Drivers of EvD Work Programme Focus and Content

### 2.1 Wider Bank Context

Institutional-level strategic and operational changes over the past few years have potentially major implications for operations, performance, and evaluation.

#### 2.1.1 Strategic Priorities and Operational Scope

- Challenging new strategic commitments are in place concerning inclusion, gender, green economy, migration, and the Sustainable Development Goals.
- A wide-reaching “Strategic Review” is underway to assist Board and Management with deeper reflection and decision-making on medium-term strategic directions.
- Issues identified as priorities include the state/private operational balance, mobilisation, development of new instruments, and coordination with other IFIs.
- The Bank’s approach to transition impact has been redefined in order to clarify core concepts and provide a better instrument for operational focus and results measurement.
- Reformulated country strategies are to be central to framing strategic and operational choices and provide the main context for assessing results.
- There have been major shifts in regional and country operational activity and portfolio composition and these are likely to continue.
- Transactions flow and volume are forecast to grow further and the outstanding portfolio will increase accordingly.

### *2.1.2 Internal Structures/Instruments*

- New strategic planning and delivery tools are in place, such as the Strategic Capital Framework (SCF) and Strategy Implementation Programme (SIP).
- A new results architecture and management system is to strengthen internal decision-making, performance management, accountability, and strategic focus.
- Investment activity is to be joined systematically with analytical, advisory and policy dialogue work and delivered as a unified package.
- Consolidated banking and policy functions are expected to strengthen the integrated banking model.
- Results frameworks drawing upon established development practice are now mandatory for project proposals and country strategies.
- More standardised indicators and metrics for smaller/simpler projects will reduce processing complexity and increase comparability across projects.

### *2.1.3 Organisation/Resources*

- Overall resources will remain tightly constrained; new initiatives and priorities are expected to be resourced mainly through reallocations and economies.
- The Banking Department and Strategy and Policy Department now report to the First Vice President, potentially improving horizontal coherence and alignment.
- Changes have been made to the composition and focus of Management Committees and points of engagement between EvD and Management.
- A major upgrade of the Bank's IT systems has EvD-critical implications for data quality and accessibility; work is ongoing but well behind schedule.

## **2.2 EvD Context**

Many of the organisational developments noted above have elements that reflect Board concerns and recommendations EvD has made regularly in recent years. These include:

- Operational choices should be more clearly driven by country-level strategic priorities
- Results frameworks are needed to provide greater clarity on expected results and integrate causal links fully into design and delivery
- Policy dialogue design, delivery and management get greater emphasis
- More clarity on expected results at all operational levels increases accountability
- Transition impact may be more clearly identified in its country context, but requires connection to the specific operations intended to give it effect
- Baseline data, performance monitoring, and results reporting are critical to a meaningful results tracking system but are generally insufficiently resourced and prioritised

Bank initiatives present EvD with both challenges and opportunities, including:

- Adapting performance assessment methods to the new transition concept and building capacity to evaluate new processes and instruments coming on line

- Producing timely, insightful country-level evaluation work as a core product
- Ensuring that evaluation covers new “initiatives” and strategic/policy commitments
- Integrating investment, advisory and policy dialogue effectively into project evaluation
- Improving communication, uptake and absorption of evaluation findings, including through better knowledge management and outreach in EvD and Bank-wide
- Ensuring that internal self-evaluation systems are well-functioning and used
- Addressing the resource and capacity demands flowing from higher expectations and new initiatives

### **3 EvD Work Programme for 2019-20**

#### **3.1 Overview**

The EvD Work Programme for 2019-20 is designed to address and build upon these opportunities. It broadly continues the strategic orientation and operational priorities established in recent years and endorsed by the Board and set out in the Executive Summary. Main features and expected benefits include:

- Thematic evaluations selected particularly to focus on issues identified as of interest and concern to both Board and Management as part of the current Strategic Review; several will also be relevant to cross-IFI issues identified as shareholder priorities.
- Relatively more weight will go to project cluster evaluations in 2019. These will focus on several recent operational initiatives and begin to integrate the new transition qualities.
- All evaluations will provide Board and Management with evidence--based findings and where appropriate recommendations in advance of key review and decision points. All will seek to build where possible on existing work and bridge to future work.
- EvD will work to improve further the efficiency and effectiveness of its engagement with Management, ideally including a review of existing review processes, more regular, targeted involvement with Management Committees, and improved follow-up on findings and recommendations.
- Concise papers will reduce demand on Board and Management time.

For all major evaluations EvD’s commitment includes:

- Approach papers prepared in advance will set out the intended scope, methods, timetable, and resource needs; they are formally reviewed and commented upon by Management. The objective is clarity at the outset as to key issues and lines of inquiry, and no surprises.
- Recommendations will flow directly from the analysis and evidence, be limited in number, and be capable of delivery through specific, time-bound action plans.
- Use of internal EvD teams, augmented by consultants as needed, will accelerate production and ensure multiple perspectives.

- Completion will be targeted for within 12 months of initiation; the main text of final reports will be no longer than 35 pages.
- EvD will use Management’s twice-yearly “Follow-up Reports” to the Board to provide an accurate and up-to-date assessment of Management progress on Action Plans for EvD recommendations.

### **3.2 Update on 2018 Work Programme – Delivered and Underway**

The following EvD papers were delivered to the Audit Committee in 2018.

- EvD Self-Evaluation - (January)
- Additionality Concept Review (January)
- Annual Evaluation Review 2017 (April)
- Energy Sector Strategy Review (April)
- Investment Project Preparation Facility (May)
- Bank SME Credit Lines (May)
- EvD Mid-Year Delivery Update (July)
- Investment Climate Support Activities (October)
- BCV Briefing – Georgia (October)
- Evaluation in EBRD – Primer for the Board (October)
- Credit Lines/Intermediated Lending (November)
- Property Sector Strategy Review (November)
- Transport Sector Strategy Review (November)
- 2019 Work Programme and Budget (December)

Work on several additional items from the 2018 programme is well underway for delivery/Board discussion in 2019. All are broadly on track; all followed detailed Approach Papers discussed in advance with Management.

- Georgia Hydropower Review
- Use of Delegated Authority
- Sustainable Energy/Resource Initiatives
- Country Strategies – Thematic
- Mongolia Mining – Multiple Projects
- Policy Dialogue in SEMED
- Women in Business Programme
- Legal Transition Programme

### **3.3 New Evaluations for Launch in 2019**

#### **Thematic/Strategic**

##### **Sovereign Operations –**

Sovereign operations have grown substantially, are central to strategic and business plans for a range of initiatives and priorities, and have been flagged as of major Board interest/concern in Strategic Review. An evaluation will provisionally look at experience in recent years; use of policy dialogue; repeat transactions with the same borrower; degree of ambition of conditions and compliance; private sector development component; IFI coordination; adequacy of diagnostics; consistency with country strategy; additionality/competition; and, impact on Bank finances/mobilisation.

##### **Mobilisation –**

Mobilisation is a major issue of concern and area of challenge. It is central to the Bank's expected role and contribution in key sectors, a key element of the current Strategic Review, and a major element of multiple cross-IFI systemic analyses, such as the recent Tharmen/G-20 Report. There has been no comprehensive EBRD review to date. The evaluation would seek to develop a comprehensive picture of mobilisation through different channels, and examine internal mechanisms/tools/processes/incentives for mobilisation. It would seek to shed light on crowding in versus crowding out private sector finance, and on the frequent the co-financier vs competitor relationship with other IFIs. A review of the quality and accessibility of data would be included, as would overall management of the issue; practice in comparable institutions would be explored.

##### **Cross-IFI Collaboration –**

Cross-institutional collaboration is consistently identified as a shareholder concern and priority across the IFI system; multiple institutional commitments have been made, including by EBRD. An evaluation would review operational and strategic collaboration (in selected countries and/or sectors), including in diagnostics, policy dialogue, co-financing, joint project development and management, and use and value of MOUs. It could review examples of good practice and missed opportunities, indicate possible obstacles in EBRD and in other IFIs, and identify opportunities for improvement.

##### **Project Self-Evaluation –**

Under Bank policy operations teams complete ex post self-evaluations for all operations using an EvD-designed template that was substantially revised a few years ago. Objectives for the evaluation would include assessing experience with the system; identifying strengths and scope for improvement; insights into the value and use of self-evaluation products, and the adequacy of resourcing and management. Incorporating the many new Bank tools and processes adopted in recent years (compendium of indicators, transition qualities, results matrices, alignment with country strategies) requires attention, which would inform revision of OPA template and processes. Other issues include: potential efficiency gains; delegated authority/frameworks; integration of TC; and, cross-department information sharing.

## **EBRD Nominee Directors –**

Nominee Directors (NDs) have been identified as an important element of the Bank's equity engagement; they are often considered central to managing EBRD's interests as a shareholder and are embedded in Management's enhanced equity approach. The evaluation would develop a consolidated picture of the Bank's use and expectations of NDs, assess their mandates and specific objectives, reporting and information flow between NDs and the Bank, use of ND information internally, any identifiable accomplishments/outcomes, and overall management and resourcing.

## **Corporate Governance -**

Corporate Governance has been high profile area for the Bank and strongly supported by shareholders. It was a common component of ex ante projections of project-level transition impact, and it continues to feature prominently as a component of project design under the new Transition Qualities. There are many corporate governance action plans in place. The evaluation will assess how the Bank operationalises commitments to corporate governance improvement, including developing CG components for individual projects. The clarity and relevance of goals will be assessed, as will the adequacy of resourcing for project design and monitoring and the adequacy of reporting and Bank follow-up.

## **Project- Focused and Multi-Project**

### **Refugee/Migration Operations**

A cluster evaluation of projects with objectives/components related to refugee migration/assistance. In focus would be: the clarity of specific objectives and the indicators used to monitor progress and measure results; possible linkages to the Sustainable Development Goals; challenges of attribution/contribution/correlation regarding refugee/migrant standard of living improvement; and, collaboration with other actors.

### **Health Sector Investments**

The evaluation would focus on operational experience to date with the Bank's relatively new engagement in the sector. Issues of interest may be: is there a contribution to better healthcare or access to healthcare; do investments in private sector care affect public delivery of care; evidence of mobilisation and demonstration effects (especially PPPs); and, engagement in policy dialogue.

### **EBRD-Ukraine Stabilisation and Sustainable Growth Multi-donor Account**

This €25M Fund was approved in 2014 to run until 2020, to combine crisis response with systemic reforms in several policy areas in order to enable Bank investments in the private sector and SOEs. An evaluation would review the programme's various components (such as TC and policy dialogue) against key investment projects signed since 2014 and including banking, energy, and transport. Findings would be available by programme completion.

### **Stock Exchange Investments**

Stock exchange investments are intended to support local capital market development, and include exchanges in Istanbul, Bucharest, Warsaw and Zagreb. An evaluation would review investments in stock exchanges and regional trading platforms to assess effects on

capitalisation, corporate governance, financial market resiliency and local capital market development.

### **Regional Integration (projects with relevant components)**

A cluster of projects with integration as a transition objective and/or specific regional integration components (rail/air/port/pipeline/road/transmission lines) would be evaluated. Areas of focus could include adequacy and evidence on performance benchmarks, role of policy dialogue and TC, and any larger effects on competitiveness, regional economic links and investment flows. Cross-IFI collaboration, policy-related engagement and common elements of successful projects could be assessed.

### **Cancellations/Prepayments –**

An IAD examination of experience with early cancellations and pre-payments is expected to be completed by mid-year. Given Board interest EvD will explore whether there are issues beyond those of IADs focus that might usefully be explored. This could include emergent patterns and trends of concern, and experience/approaches in other IFIs that might be useful. Focus would be on understanding how early termination affects transition, policy dialogue and financial efficiency.

### **Board Consultative Visits Briefings –**

EvD will prepare compact briefings in advance of Board Consultative Visits (BCVs) identifying portfolio and project-related performance issues as a supplement to the Management-provided briefing material. Planned BCVs in 2019 include:

- FYR Macedonia and Kosovo (February)
- Morocco (June)
- Egypt (September)
- Kazakhstan and Kyrgyz Rep. (September)

### **Single-Project Evaluations –**

EvD plans to complete 15 project-specific “validations” in 2019, as it has done in recent years. Under current selection criteria (See box below.) EvD actively selects projects for evaluation from an agreed list of approximately 140-150 “evaluation ready” projects. Deliberate selection and focus of resources on these projects yields higher value for both Board and Management than spreading EvD resources across a larger pool of projects randomly selected. This includes, for example, feeding project-specific evidence directly into larger thematic and/or country-level evaluations, or identifying value in completing a full evaluation. These are for the most part completed with desk review and analysis, drawing upon self-evaluations (Operation Performance Assessments – OPAs) completed by operations teams.

## **Selection Criteria for Operation Performance Assessment Validation**

A first set of criteria is applied to identify a smaller set of projects for validation from the larger set of projects selected by Management for self-evaluation. Those criteria may include:

- Does the project inform a thematic or operation evaluation in the work programme?
- What is the extent of the transition impact to be achieved?
- Is the project high risk?
- Is the project linked to a strategic initiative?
- Is the project co-financed?
- Does the project have linked technical cooperation?

EvD will then consult with Management to understand which projects might yield appropriate results and if staff resources are available. Once a manageable set of projects is identified, more in-depth criteria will be applied for purposeful selection if possible.

- Known board interest in or high profile of the project
- Significant policy dialogue was elected
- Appropriate timing for input into new strategies
- Linkage to SIP themes and key priority areas such as food security and climate change
- Able to provide learning to Bank policy issues such as graduation, sustainability, and regional focus

EvD will also stratify its selections to ensure that projects of varying value, country, sector, operation type, etc. are represented over the course of a multiyear programme.

## **Additional EvD Work Products and Services in 2019**

### **External Evaluation -**

EvD recommended and the Board in 2017 approved an independent external evaluation of EvD, consistent with established good practice for independent evaluation units such as EvD. Phase I was completion by EvD of a self-evaluation, considered by the Audit Committee on 23 January 2018. Preparation of the external evaluation by an independent consultant under Audit Committee oversight is underway; delivery and discussion are expected in 2019. EvD anticipates a request for follow-up work on its part in 2019, but specifics will need to await Board direction.

### **Annual Evaluation Review (AER) -**

EvD's main publication has been restructured to serve two key functions: reporting more effectively to the Board and public on EvD activities and evaluation issues within the Bank; and, presenting key evaluation findings and insights relevant to institutional performance in compact form. EvD will continue to target delivery of the completed AER before the Bank's Annual Meeting.

### **Management Follow-up on EvD Recommendations -**

Management became responsible in 2017 to report semi-annually to the Board on actions it has taken in response to EvD recommendations. EvD prepares comments on Management's progress report intended to provide the Board and senior Management with an independent assessment of the scope and status of Management's actions. Board members have found the new procedure to be an improvement but also see scope and need

for greater clarity on management action plans – including timetables, specific accountabilities and resources required.

#### **Engagement on Management Initiatives -**

EvD engages informally with Management on internal operational initiatives, often on an ad hoc basis. Participation has occurred in working groups, workshops and planning sessions to: review the Transition Concept, revise the approach to country strategies, results frameworks; develop the OE&E initiative; and improve knowledge management. While this work is mostly “below the radar” it has been a source of value for EvD, Management, and indirectly the Board in recent years. EvD will continue to engage in this way on a selective and opportunistic basis.

#### **Knowledge Management and Information Technology -**

Effective dissemination of evaluation work encourages greater awareness and uptake of findings, improves Board/Management engagement on performance and effectiveness issues, and contributes to institutional accountability and institutional learning. Additional efforts in 2019 will focus on making greater use of completed EvD products to engage with operational colleagues around key findings and useful lessons for the future. Wider upgrades in IT systems and capabilities are an important potential multiplier of EvD reach, but progress has been slower than hoped.

#### **External Engagement -**

EvD will continue to build its professional network and strengthen external engagements more broadly. This includes the Evaluation Cooperation Group (ECG) which comprises Heads of Evaluation in major international financial institutions and is a valuable forum for professional exchange. EvD also participates actively in 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 engages substantially with regional Evaluation Societies, particularly in their private sector focussed work. All of these engagements will continue.

### **3.4 Prospective Work Programme - 2020**

EvD would plan broadly to continue its current strategic direction and existing balance/product mix in its Work Programme for 2020. Potential specific items are listed provisionally below, reflecting: current work and the 2019 programme; strategic needs and opportunities as presently seen; and, the forward timetable for key Management/Board items as it is currently understood. Regarding the latter there is more than the usual uncertainty at this point given the multiple new and accelerated work streams comprising Management’s post-Amman Strategic Review and commitments to the Board of Governors.

EvD’s purpose is not to request formal Board approval, which can only be done in the context of an enabling budget request; it is to provide an initial provisional view of a 2020 WP that could constructively follow that for 2019. In all events a formal Work Programme and Budget for 2020 would be produced for Board review at roughly this time next year.

#### **Thematic/Strategic**

- Policy Dialogue Enhanced Approach (approved 2015)
- Trade Finance Programme

- Strategic Planning/Management Instruments (SCF and SIP)
- Shareholder Special Fund – Follow-up Reforms
- Small Business Initiative
- Operational Initiatives (TBD; e.g., OE&E; Indicators; Christopher)
- FI Sector Strategy
- TC Reporting and Information

### Country/Project Focussed

- Country Strategy Delivery Reviews – Assessment of Quality/Value
- Projects with Inclusion Components
- Oil/Gas Operations
- Pre-Privatisation and/or Privatisation Related Projects
- Repeat Clients
- Corporate Bond Investments
- Cyprus Operations
- 15 Operation Performance Validations

| Year | Thematic/Sector  | Projects/Clusters  | Departmental  |
|------|--|--|---|
| 2018 | <ul style="list-style-type: none"> <li>• Investment Climate Support Activities</li> <li>• Policy Dialogue- SEMED</li> <li>• Women in Business</li> <li>• Legal Transition Programme</li> <li>• Sustainability Initiatives</li> <li>• Delegated Authority</li> <li>• Country Strategies – Thematic</li> </ul>                   | <ul style="list-style-type: none"> <li>• 15 OPAVS</li> <li>• Mongolia Mining</li> <li>• Georgia Hydro</li> <li>• BCV Briefing</li> </ul>   | <ul style="list-style-type: none"> <li>• Annual Evaluation Review</li> <li>• WP &amp; Budget</li> <li>• Mid-Year Report</li> <li>• EvD External Evaluation</li> <li>• Training for Ops Teams</li> </ul>   |
| 2019 | <ul style="list-style-type: none"> <li>• Sovereign Operations</li> <li>• Operations Self-Evaluation</li> <li>• Cross-IFI Collaboration</li> <li>• EBRD Nominee Directors</li> <li>• Corporate Governance</li> <li>• Mobilisation</li> <li>• Cancellation/Prepayments</li> </ul>  | <ul style="list-style-type: none"> <li>• 15 OPAVs – TBD</li> <li>• Ukraine Multi-Donor Fund</li> <li>• Stock Exchange Investments</li> <li>• Health Sector Investments</li> <li>• Refugee/Migration Ops</li> <li>• Projects with Regional Integration Elements</li> <li>• BCV Briefings</li> </ul> | <ul style="list-style-type: none"> <li>• Annual Evaluation Review</li> <li>• Work Programme &amp; Budget</li> <li>• Mid-Year Status Report</li> <li>• Operations Manual Revision</li> <li>• Training for Ops Teams</li> <li>• Follow-up on EvD External Evaluation</li> </ul> |
| 2020 | <ul style="list-style-type: none"> <li>• Trade Finance Programme</li> <li>• Enhanced Policy Dialogue</li> <li>• CSDRs Quality/Relevance</li> <li>• FI Sector Strategy</li> <li>• OE&amp;E Initiatives</li> <li>• Small Business Initiative</li> <li>• SSF Reforms Follow-up</li> <li>• TC Reporting and Information</li> </ul> | <ul style="list-style-type: none"> <li>• 15 OPAVs – TBD</li> <li>• Projects w/Inclusion Elements</li> <li>• Corporate Bond Investments</li> <li>• Oil/Gas Operations</li> <li>• Projects with Privatisation</li> <li>• BCV Briefings</li> </ul>  | <ul style="list-style-type: none"> <li>• Annual Evaluation Review</li> <li>• Work Programme &amp; Budget</li> <li>• Mid-Year Status Report</li> <li>• Training for Ops Teams</li> <li>• OPA Template Revision</li> </ul>  |

## 4 EvD Staffing, Administration and Budget

EvD's budget proposal identifies the resources required to deliver the Work Programme for 2019 and provide the basis for successful delivery of subsequent work programmes. It both reflects and affirms the important shifts in EvD's strategic and business plans in recent years described above and the significant changes in structure and staffing needed to deliver them.

Under EvD's independent standing established by the Evaluation Policy its budget and Work Programme are prepared internally by the Department and approved by the Board on a stand-alone basis. The budget is reviewed initially by the Audit Committee in connection with its first review of EvD's proposed Work Programme. It is then reviewed again in final proposed form by the Audit and Budget and Administration Affairs Committees. Final approval by the Board is obtained separately from but in parallel with the Bank's overall Business Plan and Budget. In recent years the Board has approved EvD's final budget on a non-objection basis, which EvD will propose to continue for 2019.

Key features of the proposed 2019 budget are:

### Overall

- Total Direct Costs for 2019 are £3.025M and forecast to remain there through 2021.
- This compares with an average of £3.064 since 2011, the first year of EvD's repositioning/restructuring.
- EvD views this as broadly sustainable given its current product and services mix; expanded ambitions or coverage would require additional resources.

### Staffing

- EvD structure and staffing have been reshaped substantially in recent years within the existing budget.
- Turnover plus selective recruitment has enabled adaptation of the skills pool to EvD's new strategic direction, business model and product mix.
- Within the existing headcount (19) the F/M gender ratio is significantly higher, especially at senior levels; career advancement opportunities have been created and used; team engagement and morale is significantly improved.
- EvD is actively recruiting to fill a number of vacancies occasioned by staff exit, including internally; there is also a potential secondment opportunity that we hope to use to encourage internal mobility and cross-fertilisation.

### Non-Staff Costs

- The request for travel and consultancy in 2019, the main drivers of non-staff costs, is reduced by about £150,000 (16%) from its average between 2011 and 2016.
- Savings derive mainly from reduced production of heavy single-project evaluations, cutting both travel and use of specialised consultant inputs.

Table 1 – EvD Budget Historical and Projected

| £'000                   | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gross Salary            | 1,363 | 1,409 | 1,441 | 1,483 | 1,370 | 1,177 | 1,429 | 1,475 | 1,475 |
| Benefits                | 898   | 951   | 975   | 997   | 511   | 306   | 352   | 369   | 369   |
| Total Staff costs       | 2,268 | 2,367 | 2,423 | 2,487 | 1,888 | 1,483 | 1,784 | 1,844 | 1,844 |
| Consultancy             | 507   | 507   | 507   | 507   | 507   | 598   | 600   | 450   | 450   |
| Travel                  | 120   | 120   | 120   | 120   | 116   | 51    | 100   | 75    | 75    |
| Other                   | 60    | 60    | 63    | 63    | 63    | 50    | 63    | 66    | 66    |
| Total Non-Staff costs   | 687   | 687   | 689   | 689   | 686   | 705   | 763   | 591   | 591   |
| Total Operating costs   | 2,955 | 3,054 | 3,112 | 3,176 | 2,574 | 2,188 | 2,547 | 2,436 | 2,436 |
| Administrative expenses |       |       |       |       |       | 2,707 | 3,182 | 3,020 | 3,020 |

Total Staff Costs through 2010-2016 vary in respect of the following:

2010-2014 includes retirement plans, whilst in 2015 the retirement budget was held centrally and then reintroduced in 2016 outside of the operating expense budget.

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