

Independent external evaluation of EBRD's evaluation system (Kirk Report)

EvD Comments: 28-10-2019

Main Points

- EvD welcomes the independent external evaluation of EBRD evaluation system.
- It agrees with the Report's analysis in all substantial respects and notes its broad confirmation of all key findings in EvD's comprehensive self-assessment of December 2017.
- EvD endorses the Report's recommendations for it, for the Board and for Management.
- EvD agrees with the Report's core finding that Management is not meeting its responsibilities under the Evaluation Policy and that the self-evaluation system needs to be substantially reformed and rebuilt.
- EvD is committed to implementing the recommendations for which it is responsible and to working with Management where joint action is needed.
- Work is already underway on key EvD items and more will be set out in EvD's forthcoming Work Programme and Budget for 2020.
- Overall the Report provides an appropriate and very feasible set of directions that, if implemented, would substantially strengthen evaluation and performance management in the Bank. Implementation should proceed as a matter of high institutional priority.

Overview

The Report provides an insightful, analytically sound, and comprehensive assessment of the Bank's overall evaluation system and its principal components. It objectively evaluates the main structural, operational and institutional features that determine its consistency with international good practice and the Bank's Evaluation Policy. It identifies significant weaknesses and challenges regarding scope, design and effectiveness and in doing so provides an analytical basis on which to build improvements. Finally, it makes a set of clear and specific recommendations that, if implemented, would substantially strengthen the value and effectiveness of evaluation in EBRD.

The essential feature of the evaluation system in EBRD (and across the MDB system) is that it is built upon joint and separate responsibilities for EvD, Management and the Board, each relying on the other for essential activities and the entire system effective only if each main actor does its part. These multiple responsibilities lie at the heart of the Evaluation Policy and they are affirmed in every respect by the Kirk Report.

EvD therefore offers some selective comments on the Report's main findings and recommendations with respect to EvD, Management and the Board

Specific comments on EvD Points

We welcome the affirmation of the strategic repositioning made by EvD after 2011 and the report's positive recognition of the progress made at multiple levels.

We welcome the Report's confirmation of the key challenges, concerns, and needs identified by EvD's own self-assessment prepared for the exercise, and identified consistently in EvD reports.

The Report confirms EvD's use of appropriate and systematic methods and its production of analysis and insights of high relevance and value, for both Board and Management, on a wide range of thematic, operational and strategic issues.

Overall, EvD is fully committed to work cooperatively with Management where joint action is recommended. Work has already begun on several EvD-specific recommendations.

- Self-evaluation system review: Already initiated under the 2019 Work Programme and now close to completion. This will include practical options for improvement drawing on experience gained under the current system and evaluated experience of other MDBs.
- Evaluability assessment of Transition Qualities Framework: Already underway in EvD for delivery early in 2020.
- EvD Resources: EvD's Work Programme and Budget for 2020 will propose a modest increase in budget and include specific items responding to Kirk Report recommendations (subject to Board approval). The case for additional EvD resources in future rests in large degree on whether Management takes actions as recommended by the Report.
- Three-year strategic plan for EvD: This was anticipated in the EvD Self-Assessment. EvD will deliver this in 2020, drawing upon Board guidance, Management's commitments and the wider strategic directions of the Bank agreed for SCF 2021-2025.
- Update the Evaluation Policy: The Report affirms the Evaluation Policy largely in its current form. EvD will work with Management toward upgrades for Board approval.
- Evaluation of Learning in EBRD: EvD's Work Programme for 2020 will include this study; staffing has already been identified.

EvD has reservations about a few specific points for further discussion with the Board.

- Expanding the weight of project-specific evaluation in EvD's product mix is desirable and EvD has already signaled its intention to do so. However, the well-established deficiencies with project level metrics, monitoring and data are for the present a real obstacle to the value of a dramatic increase. Management-led improvements of the kind set out clearly in the report are a necessary enabling step for the longer-term.
- For this and other reasons a return to ECG project-sampling norms of the kind recommended by the Report's Independent Advisor is neither feasible nor desirable.

Specific Comments on Management-related Points

EvD provides more detailed comment on Management's response separately, including with respect to several important issues identified by the Report but not addressed in that response. However, two higher-level comments follow.

- The Report's most important finding is that Management is not meeting its responsibilities under the evaluation policy. The ways in which current practice falls short are well and fairly examined in the Report, and its findings and conclusions track fully with those that EvD has made consistently over a period of years. In EvD's view its recommendations are appropriate and should be implemented as a matter of priority.
- The Report properly sees Management's self-evaluation system as central to larger deficiencies, with major redesign essential for any wider improvements. Success will depend on Management taking ownership of self-evaluation processes, treating it as a core part of its business and integrating it into its evolving results measurement systems. New processes, incremental resources and engaged leadership will all be essential.

Specific Comments on Board-related Points

EvD broadly agrees with the Report's analysis and recommendations for the Board.

- There is a need and would be substantial benefit from strengthening the Board's engagement around institutional performance and evaluation issues. Measures to consider include: clarifying the directive authority of Board Committees; ensuring appropriately senior Management participation; improving the clarity and quality of follow-up reporting.
- Creating a new Committee focussed on issues of institutional performance would mirror long-standing and well-regarded Board structures in place elsewhere. In any event there is need for substantially more staff assistance for Committee work.