



2011

Evaluation Policy



CARIBBEAN DEVELOPMENT BANK
EVALUATION POLICY

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ABBREVIATIONS

APEC	-	Audit and Post-Evaluation Committee
BMC	-	Borrowing Member Country
CDB	-	Caribbean Development Bank
OIE	-	Office of Independent Evaluation
PBL	-	Policy-based Lending
PCR	-	Project Completion Report
PPAR	-	Project Performance Audit Report
TOR	-	Terms of Reference

EVALUATION POLICY OF THE CARIBBEAN DEVELOPMENT BANK

1. Effective and useful evaluation and oversight activities are critical to the corporate governance of any development organization. They provide a tool for assessing development effectiveness, holding Management accountable for results, and improving operational performance. The Caribbean Development Bank (CDB) has had formal guidelines for evaluation since 1992, focusing primarily on ex-post project evaluation. In 2011 CDB undertook an assessment of its evaluation function with the aim of developing a policy reflecting current good practices among development organizations.
2. This policy statement grew out of that review. It covers the policy objectives, institutional commitments, and guiding principles for CDB's evaluation system, including both self- and independent evaluation; describes that system, including the types of evaluation; provides for the establishment of an Office of Independent Evaluation (OIE), including its staffing, work program, and budget; lays out the institutional roles and responsibilities for evaluation, including interactions between OIE and operational offices; and outlines procedures for evaluation reporting, Management response, follow-up, and disclosure and dissemination of evaluation results.

A. Policy Objective, Commitments and Guiding Principles

3. The objective of this policy is to ensure that CDB's Board of Directors, President, Advisory Management Team, CDB staff, and other stakeholders and partners are provided with timely, credible, and evidence-based information on the relevance and performance of CDB's projects, programs, policies, and other development activities. Such information is needed to foster organizational learning, support decision-making, and ensure accountability for results.
4. CDB recognizes that the effectiveness of its development assistance depends to a large extent on its ability to monitor, measure, and evaluate its work, and to make appropriate adjustments to the design and implementation of its initiatives based on results. Therefore, it is committed to the strategic role of the evaluation system, including both self- and independent evaluation, to measure the development effectiveness of CDB's interventions, and to promote learning and accountability that assist in the planning and managing of such initiatives.
5. It also is committed to strengthening the independent evaluation function in order to increase its contribution to the quality of CDB's policies and operations by providing evidence on their relevance, effectiveness, efficiency, and sustainability. It is further committed to ensuring that all evaluation activities reflect the requirements for implementing a management for results approach, and supporting knowledge building through the effective dissemination and sharing of evaluative information on a timely basis.
6. Based on these commitments, CDB has adopted the following guiding principles for its evaluation system:
 - **Value-added:** Evaluative thinking adds value to a project or program from the outset. Evaluative thinking makes an initiative more effective by helping clarify the expected

results, the strategies that will contribute to their achievement and the milestones that will demonstrate progress.

- **Usefulness and timeliness:** Evaluation should be an asset to those being evaluated, have a clear use, and respond to the needs of the user. It should contribute to managing for and achieving development results.
 - **Neutrality:** To be credible, evaluations must be conducted with complete neutrality and meet basic ethical standards.
 - **Quality:** Evaluation should meet internationally-accepted quality standards. This means that key questions and areas of investigation should be clear; evaluation design, data collection and analysis should be appropriate to answer the evaluation questions, and carried out with a high degree of professionalism; findings should be presented in a manner that will be readily understood by target audiences; evaluation teams should possess the mix of skills and knowledge necessary for implementing the evaluation design; and the evaluation should be carried out ethically, with respect for the rights of participants, including beneficiaries, and with due cultural sensitivity.
 - **Relevance:** Evaluation must produce relevant, practical, action-oriented findings. The interpretation of findings should be grounded in the realities of the country and program context. The process should foster sustained involvement of and ownership by the users. Evaluation findings, lessons learned and recommendations are to be practical and realistic for CDB and its stakeholders.
 - **Capacity building:** Evaluation processes should develop capacity in evaluative thinking and evaluation use. Evaluation should increase participants' ability to learn from successes and failures, to manage uncertainties and to take well thought-out risks.
 - **Transparency:** The evaluation process should be transparent, so that all relevant stakeholders are aware of the fact that the evaluation is being conducted, its scope, and the methods being used. Findings, lessons, and recommendations should be disseminated to stakeholders and the public more generally through various channels, such as reports, briefs, presentations, and other communications instruments, to the extent feasible.
7. To implement these values, CDB staff engaged in designing, conducting, and managing evaluation activities should possess core competencies. These include:
- **Credibility:** Knowledge and skills in evaluation and/or the relevant area recognized by the main stakeholders of the activity and of its evaluation.
 - **Integrity:** Evaluators need to act with integrity and honesty in their relationships with all stakeholders. Evaluators also need to protect the anonymity and confidentiality of information, where applicable.

Impartiality: There must be no conflict of interest between the evaluator(s) and any of the parties involved in an evaluation

8. In addition, they should exhibit the qualifications, skills, experience, and attributes required to carry out evaluations. Some skills are particularly useful for persons conducting evaluations as “evaluators”, while others are needed for persons who manage evaluations as “evaluation managers”. It is not necessary that each member of a given evaluation team possesses all these competencies. However, the evaluation team as a whole should include members who, collectively, do exhibit the following competencies:
 - **Technical evaluation expertise:** Understanding of, and experience in, the required evaluation methodologies or approaches that will be needed for the specific evaluation to be undertaken.
 - **Sectoral or thematic expertise:** Expertise in the sectoral or thematic area of the project, program, policy, or other activity being evaluated.
 - **Communication skills:** The evaluator must be able to communicate the evaluation results in a manner that is easily understood by all parties.
 - **Interpersonal skills:** The evaluator must be able to interact with all parties in a sensitive and effective way. Evaluators should ensure that their contacts with individuals are characterized by respect.
 - **Management skills:** At least one member of the evaluation team must be able to manage an evaluation by defining work parameters, estimating evaluation feasibility through budgeting, coordinating resources, supervising team members, and identifying and mitigating problems and issues as they arise.
9. This policy builds on these values and commitments to achieve the objective of providing evaluative information that fosters learning, supports decision-making, and ensures accountability.

B. CDB’s Evaluation System

10. CDB’s evaluation system encompasses both self-evaluation and independent evaluation. Both are important, and serve the institutional need for sound evaluative information and perspectives. They apply to all projects, programs, policies, and other development-related activities undertaken by CDB.

Self-evaluation

11. Self-evaluation is the foundation of the evaluation function. It is conducted by the Projects and Economics Departments under Management oversight. Self-evaluation processes are used to measure the achievements and results of operational activities including investment projects or programs, policy-based lending, grants, and technical assistance activities. Self-evaluation may include mid-term project or program reviews.
12. At the project level, self-evaluation culminates in the preparation of a Project Completion Report (PCR) upon the implementation completion of each project. The Directors of the Projects and Economics Departments are responsible for ensuring that a PCR is produced within six (6) months of the project completion date. Each PCR is distributed to members of the Loans Committee for information, and submitted to OIE for review and audit. Both the PCR and the OIE audit reports are distributed to members of the Board of Directors.
13. Specific guidance on the contents, format, methods, schedule, and distribution processes to be used in conducting PCRs will be developed by Management, in collaboration with OIE.
14. A self-evaluation of each country program also is required as part of the country strategy development process. The Directors of the Projects and Economics Departments are responsible for ensuring that country evaluations are conducted in a timely way that ensures the findings, lessons, and recommendations from such evaluations inform a new or revised strategy for the specific country. Both the self-evaluation and the OIE review reports are distributed to members of the Board of Directors in time for any discussion of a new or revised strategy for the specific country.
15. Specific guidance on the contents, format, methods, schedule, and distribution processes to be used in country program evaluations will be developed by Management, in collaboration with OIE.
16. Self-evaluations also may cover advisory and analytical work or sector/thematic policies and strategies through performance assessment reports of advisory and analytical work, and implementation updates on sector policies and strategies. Such self-evaluations are conducted on an ad hoc basis, as determined by the Directors of the Projects and Economics Departments.
17. Specific guidance on the contents, format, methods, schedule, and distribution processes to be used in such evaluations will be developed by Management, in collaboration with OIE.
18. The Projects and Economics Departments, in meeting their responsibilities to carry out self-evaluation activities, shall ensure that all required evaluations are adequately funded, and that they are conducted following the guidance to be developed for each type of evaluation, as discussed in the preceding paragraphs. OIE is responsible for collaborating with the Projects and Economics Departments to develop appropriate guidance, and for auditing completed PCRs and reviewing completed country strategy evaluations.

Independent evaluation

19. Independent evaluation builds on the foundation of self-evaluation. It is conducted by OIE under the direction of the Head of Evaluation. Functionally, OIE reports directly to the Board of Directors of CDB, with oversight by the President on administrative matters. OIE audits all PCRs and undertakes performance evaluations of completed projects (and selected on-going projects), programs, policy-based loans, technical assistance activities, and other development efforts to assess their outcomes and impact on the economic and social development of Borrowing Member Countries (BMCs). It also conducts sector policy and thematic reviews, country strategy evaluations, and corporate process reviews. From time to time it may carry out *ad hoc* reviews requested by the Board of Directors or Management, where resources permit.
20. Independent evaluation is discussed in detail in Section C of this policy statement.

Types of Evaluations

21. Self- and independent evaluations may be carried out for the full range of development activities, including projects, sectoral and thematic policies, country strategies, and corporate processes. Each requires its own evaluation approach and methods.

Project evaluation

22. Project evaluations include both PCRs and Project Performance Audit Reports (PPARs). These assess project outcomes according to four core evaluation criteria that reflect good practice standards among multilateral development banks:
 - **Relevance:** the extent to which the project fits the BMC's development priorities and is consistent with CDB strategic objectives; and, to which it contributes to or is likely to contribute to reducing poverty, where appropriate.
 - **Effectiveness (or efficacy):** the extent to which the project achieved (or is likely to achieve) its stated policy, financial, institutional, social, and environmental objectives, taking into account their relative importance.
 - **Efficiency:** the extent to which the project has achieved or is expected to achieve its stated objectives cost-effectively.
 - **Sustainability:** the likelihood of continued long-term benefits, and the resilience to risk of net benefit flows over time.
23. Ratings on these four core criteria are used to develop the **Project Performance Index** as a summary index to assess the project. In addition, CDB rates projects on a number of other dimensions:

- **Institutional development impact:** the extent to which the project established institutional arrangements to make efficient use of the BMC's financial, human, and other resources.
- **CDB performance:** the extent to which CDB's role was appropriate during specific stages of the project cycle, and to which it supported implementation through appropriate oversight.
- **Borrower and executing agency performance:** the extent to which the borrower and/or the executing agency performance reflected ownership during preparation and implementation and responsibility for the project, and to which it complied with loan or grant obligations.

24. These ratings criteria apply to both self- and independent evaluation, using a consistent metric. OIE and Management are jointly responsible for developing specific, unified guidelines for the application of each criterion.

Policy-based lending evaluation

25. Policy-based or program lending (PBL) merits special interpretation from an evaluation perspective, as such operations differ in many important respects from investment projects. PBLs are complex operations that typically affect a large number and array of stakeholders.

26. It usually is more difficult to assess, isolate, and attribute the impacts of PBL than an investment operation because PBLs aim to make significant changes to the rules and incentive systems under which economies operate. Policy and institutional reforms generally take longer than the life of any PBL operation to implement or for the effects to become evident. PBL preparation and implementation are often compressed into a shorter time period than for investment operations.

27. The combination of short preparation periods and time-sensitive implementation limits the extent to which PBL design may include baseline studies, ex-ante impact assessment, or other inputs that provide a solid foundation for self- and independent evaluation. Rarely is there a control or comparator against which progress can be measured to assess impact. Moreover, the theory underlying the dynamic linkages between complex, multifaceted policy and institutional reform packages and socioeconomic performance is not well established.

28. Because PBLs can have major effects on institutional development, institutional development impact is treated as a "core" criterion for the evaluation of PBLs, in addition to the standard four criteria used for project evaluation. This methodological adjustment is designed to account for the differences between PBLs and investment loans.

Impact evaluation

29. Impact evaluation is defined as a systematic identification of the effects of a development activity on individuals, households, institutions, sectors, the overall economy, or the environment. Impact is taken to imply a concern with final welfare outcomes, and the attempt to establish a counterfactual to isolate the effects of different determinants on those outcomes. This may take the form of a control group (experimental design) or a comparison group (quasi-experimental design).
30. Impact evaluations consider positive and negative, intended and unintended effects of projects or other activities, and are concerned with establishing the causal relationships between those activities and the various effects so as to estimate what effects can be attributed to the specific activities evaluated.
31. These evaluations are best conducted as part of ongoing operations, as part of project or program design. This allows for data to be collected at the start of the operation, establishing a baseline, throughout implementation, and at completion. It also permits the selection of control or comparison groups to help establish the extent to which any observed changes in key indicators can be attributed to the project or program. Not every project or program requires an impact evaluation, but they should be implemented where feasible, especially in operations that are novel or have high potential for replication. Staff and consultants with expertise in impact evaluation should be engaged to carry out such studies.

Sector, thematic, and policy evaluation

32. Sector, thematic, and policy evaluations include assessments of the effectiveness of CDB operations in a particular sector, on a theme considered a priority, or a CDB policy. The objective of such evaluations is to enhance the quality of the sectoral assistance strategy, the preparation and implementation of new operations to be financed in selected sectors or on given themes, and to assess the effectiveness of CDB policies. Therefore, such evaluations should be completed in time to inform Board and Management decisions affecting these areas.
33. Such reviews typically require tailor-made designs that employ methods specifically developed to answer the relevant evaluation questions. This puts a high priority on ensuring that the chosen methods are appropriate, feasible, and carried out properly to ensure quality. Often this will require that staff or consultants with specialized evaluation skills are part of the evaluation team.

Country strategy evaluation

34. The purpose of country strategy evaluations is to evaluate the contribution of CDB's operations to the economic and social development of BMCs, and to improve the effectiveness and efficiency of country strategies. The criteria for these evaluations are similar to those for project evaluations, with suitable adjustments. These evaluations help to enhance the quality, relevance, effectiveness, and sustainability of the Bank's operations while improving the design, preparation and implementation of country strategies.

Corporate process evaluation

35. Process evaluations assess the efficiency and effectiveness of CDB operational procedures and processes, which may include issues such as quality at entry, supervision, and mid-term monitoring systems, as well as other corporate processes. As with sector, thematic, and policy evaluations, process evaluations require the use of methods designed to answer the specific evaluation questions, and should be completed in time to inform Board and Management decisions.

C. Office of Independent Evaluation

36. The OIE as a function reporting to the Board of Directors is established under this policy. It replaces the Evaluation and Oversight Division established in 2003, and absorbs most of its functions and personnel. This change is designed to make independent evaluation at CDB consistent with common practices at other multilateral development banks.

37. OIE shall have authority to evaluate all development activities of CDB, such as lending, grants, and technical assistance. It also can review internal CDB processes and procedures that may affect CDB's development effectiveness, including self-evaluation systems. In addition, it may provide evaluation capacity development services to CDB staff, as well as to Member Country staff and external evaluators.

38. To carry out these tasks, OIE has access to all CDB records, data, documents, and staff, except where specific grants of confidentiality have been made pursuant to, or are required by, CDB policies. In addition, OIE has authority to interview staff of Member Country agencies; organizations implementing CDB projects, programs, or other activities; and civil society representatives and others who may have information relevant to evaluation of CDB activities.

39. External contacts by OIE should be coordinated with the appropriate Operations Area staff to ensure that site visits, interviews, and other requests for information do not unduly burden BMC staff. However, Operations Area staff are responsible for ensuring that OIE evaluators are able to conduct their work in a timely way, without delays except where they are unavoidable.

40. OIE may provide general advice on evaluation systems to operational departments, and also may participate in the discussions of the Loans Committee to provide input from evaluation findings. However, in order to preserve its independence, OIE shall not participate in making decisions on specific projects, programs, or other development activities.

Head of Evaluation

41. The work of OIE is directed by CDB's Head of Evaluation. The Head is appointed at a level commensurate with the importance and responsibilities of the position, taking into account CDB human resource policies and international good practice standards for independent evaluation. The Head is responsible for managing the personnel, budget, and work program of OIE in consultation with the respective Directors of the Finance and Corporate Planning and the Human Resources and Administration Departments. Functional oversight of OIE is provided by the Audit and Post-Evaluation Committee (APEC) of the Board of Directors, and administrative oversight by the President of CDB.
42. The Head is appointed by the President with the agreement of the Board of Directors for a term of five years, which is renewable for one additional five-year term. Recruitment of candidates is carried out under the direction of a search committee co-chaired by the Chair of APEC and the President or his/her designee, and may include other members of the Board of Directors. It will include ex-officio the Director of the Department of Human Resources and Administration. The search committee may employ a recruiting firm to carry out the search process. The position must be advertised publicly.
43. The search committee is responsible for ensuring that candidates for the position are fairly judged for their ability to meet the technical, managerial, and other requirements of the position. The selection criteria will reflect the key competencies, qualifications and experience required for success in the role. In reviewing candidates, the search committee will be fair and impartial in its consideration, and will be facilitated by the recruiting firm, if one is used, in its determination of suitable candidates for interview. The search committee will approve the list of those to be interviewed, and its members will conduct the interviews.
44. Based on the search committee's review and assessment of those on the short list, the President will recommend a candidate to the Board of Directors for its agreement. In making a recommendation, the President will justify the selection and provide a summary of the search committee's deliberations. Upon agreement of the Board of Directors, the President will make the formal appointment.
45. The President may remove the Head of Evaluation only at the request, or with the agreement, of, the Board of Directors, with a statement of cause. Grounds for termination of the Head of Evaluation include (but are not limited to):
 - unsatisfactory performance of the position's requirements;
 - serious misconduct, as defined by CDB's human resource or other policies;
 - abandonment of his/her position by the Head or failure to take up the position to which she/he was appointed;

- inability to perform his/her duties for health reasons; and
- no longer being a national of a Member Country of the CDB.

Any such termination decision taken by the Board of Directors will be duly communicated by the President to the Head of Evaluation.

46. The performance of the Head of OIE will be reviewed once a year by the Chair of APEC, with explicit input from the President of CDB, specifically on performance of administrative responsibilities, and on other areas of performance as the President may wish. The APEC Chair must consult with and seek feedback from the other members of APEC, and may consult with other members of the Board of Directors, as well as whomever else she/he deems necessary as input to the performance assessment. The review will follow the same format as that used for the annual performance assessment of other managers. The Human Resources Department will provide support to the Chair of APEC in carrying out this review.
47. The Head of OIE shall not be eligible for other staff positions in CDB upon the completion of his/her tenure as Head. However, he/she may be appointed to consultancies after at least one year has elapsed since the end of his/her tenure.

OIE Staff

48. OIE staff are considered CDB staff and are subject to the policies, rules and procedures generally applicable to all CDB staff. This includes the Head of Evaluation, except as specifically provided for in this policy.
49. OIE staff are appointed following normal due diligence and adhering to CDB human resource policies. The Head of Evaluation approves job descriptions and advertising for OIE staff positions, and acts as recruiting manager. In that role, the Head reviews applications and approves a short list of candidates to be considered by a selection panel, on which the Head serves. The panel is constituted under the applicable human resource policies and procedures of the CDB, and conducts interviews with the short-listed candidates. Following the determination of a successful applicant, the Head reviews the recommendation and minutes of the panel, then submits the application to the President for final approval.
50. The Head of Evaluation is responsible for managing the performance of OIE staff, following standard CDB procedures for assessing that performance. The Head also has the authority to recommend promotions of OIE staff in accordance with CDB rules and procedures for staff promotion. Dismissal of OIE staff will follow applicable CDB rules and procedures.
51. OIE staff are entitled to seek employment in other departments of CDB, and CDB Management will treat OIE staff who may apply for positions outside OIE the same as other CDB staff, in accordance with CDB staff rules and procedures.
52. The staff of OIE, including the Head of Evaluation, will be held to the same integrity standards as all other CDB staff, and subject to integrity investigations if the need arises. The President

has the authority to initiate investigations of the activities or conduct of the staff of OIE through appropriate offices, with the results and any recommendations considered by the Board of Directors.

53. OIE also is authorized to engage the services of consultants and other vendors deemed necessary for the performance of the functions of the OIE. OIE will formulate the terms of reference (TOR) for such consultants and vendors, identify the most suitable candidates, and supervise their work. Contracts for OIE consultants and vendors will follow the applicable CDB rules and procedures for the recruitment of consultants and the awarding of contracts to vendors, including those that aim to prevent conflicts of interest.

Work program and budget

54. Each year, OIE will prepare and present to APEC for its endorsement a work program for independent evaluation. This work program will include evaluative work to be carried out in the applicable fiscal year, and also an indicative work plan for the following fiscal year.
55. The work program will outline OIE's strategic priorities and present any proposed shifts of evaluation activities from one fiscal year to another with due justification of changes in priorities and time allocations. It also will review the progress made in implementing its two-year rolling work plan, including completed products and works-in-progress. It will provide assurance of an adequate level of evaluation coverage of CDB's portfolio over a two-year cycle linked to CDB's Strategic Plan.
56. The work plan should elaborate on the rationale or policies governing the selection of evaluation activities for the coming fiscal year in support of CDB accountability, decision-making, and the generation of lessons learned. It also should outline OIE's contribution to meeting broader corporate activities and initiatives, and take into consideration the need for effective dissemination of evaluation results and lessons.
57. In developing this work program, OIE will consult with members of the Board of Directors, as well as CDB Management, including the President and Management of the Operations Area. However, neither the President nor any other member of Management will exercise approval authority over the content of OIE's work program. OIE also may consult with the evaluation offices of other development institutions, Member Countries, other partners, beneficiaries, other stakeholders, and external experts in developing its work program.
58. The OIE work program should be developed simultaneously with the development of the overall CDB work program, and a draft circulated to Management in sufficient time for meaningful feedback prior to its submission to APEC. To this end, OIE and Management will agree each year on a calendar for such review and comment prior to the start of the work program planning cycle.
59. The proposed work program shall be based on the selection of a critical mass of evaluations required to promote learning, improve decision-making, and ensure accountability in CDB.

In developing this program, OIE will take account of the absorptive capacity of both CDB and BMCs, as well as resource constraints in CDB.

60. OIE will produce an annual report on evaluation results, based on lessons learned from recent evaluations and their implications for CDB's operations. As experience and resources allow, this could become a report on development effectiveness.
61. OIE also will include in its work program specific activities to build its own evaluation capacities and those in CDB. If sufficient funds are available, it also should help build evaluation capacities in Member Countries.
62. In conjunction with its work program, OIE will prepare an annual budget request for endorsement by APEC and approval by the Board of Directors. The proposed budget will take account of the overall budget envelope of CDB. Any request that would increase OIE's share of the CDB administrative budget would require explicit justification by OIE and comment by Management on the implications for other CDB activities and lending ratios. The budget proposal will conform to the format and other standards applicable to the overall CDB budget. The President and Management may provide comments to APEC and the Board of Directors on the OIE budget, but do not have approval authority. However, the President may advise APEC and the Board of Directors on any issues that may arise in connection with OIE's budget, such as effects on overhead ratios.
63. The work plan will provide a justification for the proposed budget and resources committed to evaluation. This will provide details on the OIE staff days allocated for the various activities in the work plan, and provide an indication of both OIE staff time and estimated consultancy resources required for the implementation of the work program.
64. To supplement OIE's regular budget, the Bank may seek grant or trust fund support from donors. Such funds may be used to carry out evaluation capacity development activities in Member Countries. They also may be used for other purposes, such as to support special evaluation studies. Any such grants or trust funds would be subject to the normal rules of CDB governing such sources of revenue.
65. OIE's budget and expenditure shall be included in the regular annual external audit of CDB's accounts. APEC also may commission external budget reviews of OIE, as well as audits of OIE's compliance with various CDB policies.

D. Reporting, follow-up, disclosure and dissemination

66. The results of a CDB evaluation, whether self- or independent, normally are presented in the form of a formal written report, which constitutes the official record of what happened during the evaluation process and of the judgments that were made about the evaluated CDB activities. Such evaluation reports should be clear, easy to read and thorough. Evaluation reports should be structured logically; contain evidence-based findings, conclusions, lessons and recommendations; and be free of information or opinion that is not relevant to the overall

analysis. Reports should be presented in a way that makes the information accessible and comprehensible.

67. The CDB manager of a self or independent evaluation is responsible for reviewing the document and determining whether the evaluation TOR has been met. Evaluation officers should share draft reports with relevant CDB departments and, where appropriate, BMC authorities, implementing agencies, and co-financiers in order to solicit comments, including corrections to factual errors and alternative interpretations of data and findings. These comments may be taken into account in completing the final version of the report, but normally only factual errors are required to be addressed.
68. In the case of OIE evaluation reports, drafts are provided to Management for review and comment before they are submitted to APEC. OIE should ensure that Management gets draft reports in sufficient time to comment fully and thoughtfully. For its part, Management is responsible for providing comments on drafts in a reasonable amount of time so that reporting to APEC is not delayed. OIE also may seek comments from other stakeholders or outside experts, as appropriate, to ensure the accuracy and completeness of reports. Once an OIE report is submitted to APEC it is regarded as final, except for any minor editing to correct typographical, spelling, or grammatical errors, and formatting for publication.
69. OIE submits final reports to the Board of Directors through APEC. These may be discussed at APEC meetings, as determined by APEC. The full Board of Directors also may discuss OIE reports at its discretion or upon recommendation by APEC.
70. Management shall provide a formal response to all OIE reports. This response should be clear and comprehensive, and cover the following, at minimum:
 - **Key recommendations or issues:** Are the issues and recommendations relevant and acceptable?
 - **Key actions:** What are the concrete proposed actions? Who are the key partners in carrying out the actions?
 - **Implementation of the actions:** Who are the responsible departments or units? What is the timeframe for implementation?
71. Management actions to follow-up on evaluation findings and recommendations should be: (i) limited to those that are specific to the type of activity evaluated, (ii) capable of being implemented and monitored, (iii) time bound, and (iv) cost-estimated at an indicative level, where possible.
72. The Management response should be considered by the Advisory Management Team, approved by the President, and submitted with the final evaluation report through APEC to the Board of Directors. It also should be included in the published version of the final report.

73. The Vice-President for Operations, in the exercise of his/her oversight, should coordinate and monitor the implementation of follow-up actions by the appropriate departments or units, and should provide periodic reports to the President and to the Board of Directors on the status of any actions. The Head of Evaluation should provide the President and the Board of Directors with an annual assessment of the status of the implementation of recommendations from evaluations and efforts made to incorporate lessons learned.
74. CDB's managers are responsible for ensuring that self and independent evaluations are used to improve performance. Managers should make full use of the evaluation function by working with key stakeholders to develop action plans that respond to the evaluation findings, conclusions, and recommendations.
75. In keeping with CDB's efforts to reinforce the transparency and credibility of its evaluation function in support of a results agenda, both self and independent evaluations are disclosed to the public to the extent provided for in CDB's Disclosure Policy. Publicly disclosed reports should be disseminated widely through print and electronic media, workshops, seminars, conferences and other knowledge-sharing events, as well as through capacity development activities, where appropriate.
76. OIE also should develop or strengthen a database of evaluation lessons, recommendations, actions, and Management responses that provides users with a readily accessible source of searchable evaluation information.

E. Roles and Responsibilities

77. This policy assigns specific roles and responsibilities for self and independent evaluation to various CDB officials, as summarized in this section.

CDB's Board of Directors/APEC

78. Board of Directors, through its APEC, provides oversight of the self and independent evaluation functions of CDB. Specifically:
 - The Board of Directors agrees to the appointment of the Head of Evaluation upon recommendation by the President.
 - The Board of Directors may request, or agree to, the President's removal of the Head of Evaluation for cause.
 - The Board of Directors reviews and approves CDB's evaluation policy and any changes to it, and makes recommendations to the Board of Directors regarding approval of or amendments to that policy.
 - APEC reviews OIE's annual work program and budget, and reports its conclusions and recommendations to the Board of Directors, which endorses the work program, and approves the budget as part of the overall administrative budget.

- APEC oversees the operations of OIE and annually reviews the performance of the Head of Evaluation, with explicit input from the President. It provides an annual report to the Board of Directors on the performance of OIE and the Head of Evaluation.
- APEC reviews self- and independent evaluation reports, and may discuss any of them at its discretion. Based on its review it may suggest appropriate actions to both the Board of Directors and Management.
- APEC also reviews the Management response to evaluations and proposed follow-up actions. Based on its review it may suggest appropriate actions to both the Board of Directors and Management. It also may review Management's subsequent actions to ensure agreed follow-up has been carried out.
- The Board of Directors considers whether lessons learned from self and independent evaluation activities are reflected in CDB's policies and procedures as well as in its projects and programs, with a view to improving the effectiveness of its development financing.
- The Board of Directors draws on the findings and recommendations of self and independent evaluation for oversight and approval of corporate policies, strategies, programs, and projects.

The Board of Directors may delegate its responsibilities for oversight of OIE to APEC, to the extent consistent with the Bank's Charter.

President, CDB

79. The President, with the support of the Advisory Management Team, is accountable for encouraging and providing an environment where evaluation adds value to the overall management of CDB's activities and fosters a culture of critical analysis and learning. More specifically, the President:

- Appoints the Head of Evaluation with the agreement of the Board of Directors.
- Exercises oversight of the Head of Evaluation in administrative matters.
- Provides explicit input into the annual performance assessment of the Head of Evaluation.
- Removes the Head of Evaluation only at the request, or with the agreement, of the Board of Directors.
- Holds managers responsible for carrying out self-evaluations on a timely basis.

- Ensures that the Head of Evaluation has direct access to all CDB records, data, documents, and staff, except where specific grants of confidentiality have been made pursuant to, or are required by, CDB policies.
- Approves Management responses to OIE reports and action plans in response to OIE recommendations, and submits them to the Board of Directors through APEC at the time the OIE evaluation is submitted.
- Ensures that self- and independent evaluation results inform decision-making on projects, programs, policies, strategies, and other development activities within CDB.

Advisory Management Team

80. The Advisory Management Team advises the President on a number of evaluation-related issues. It is responsible for:

- Providing a corporate overview and strategic analysis of the CDB's overall program performance and management.
- Strengthening the effectiveness of the evaluation function by emphasizing the shared accountabilities of CDB managers for performance results.
- Working with the Head of Evaluation to ensure that CDB has a systematic and consistent approach to evaluation which meets corporate requirements and reflects to the degree possible applicable international standards.
- Reviewing self- and independent evaluation reports to be submitted to APEC and the Board of Directors.
- Reviewing and recommending for approval the Management response to evaluation reports.
- Ensuring that the results of self- and independent evaluation are taken into account in CDB's cycle of strategic planning, decision-making on programming activities and management processes, and the building of institutional knowledge.

Director/Division Chiefs of Projects and Economics Departments

81. Directors and Division Chiefs are accountable for cooperating with OIE to permit effective independent evaluation, and ensuring that self-evaluations of their own programs and projects are carried out in accordance with CDB's Evaluation Policy. They are responsible for:

- Ensuring that credible and reliable performance data are being collected to support evaluation at all stages of the project, program, and policy cycles. This includes quality at entry standards involving decisions as to the design of monitoring indicators and evaluation

frameworks through to supervision, monitoring, and project/program completion processes.

- Maintaining an up-to-date schedule of PCRs to be undertaken, and preparing PCRs on a timely basis for all CDB-related development assistance activities; however, PCRs for free-standing technical cooperation and training activities are prepared at the discretion of the Director, Projects or Economics Department.
- Arranging for divisional review of issues raised in a PCR, and circulating the final PCR to CDB's Loans Committee for information and to OIE for audit.
- Sharing lessons learned across CDB Management, the BMC, and the executing agency.
- Determining which project, program or other evaluations they will undertake as part of any self-evaluation agenda, such as mid-term evaluations.
- Drafting TORs, selecting consultants, and reviewing results of self-evaluations.
- Sharing self-evaluation plans with OIE in a timely manner.
- Collaborating with OIE to disseminate key self- and independent evaluation findings.

Head of Evaluation, OIE

82. The Head of Evaluation has functional authority for CDB's OIE, and is responsible for:

- Management of the OIE:
 - Developing strategies to improve the evaluation function within CDB.
 - Preparing and periodically updating CDB's policies, guidelines and methodologies for evaluation, in collaboration with CDB Management.
 - Ensuring that OIE is appropriately staffed with competent professionals, maintaining a roster of evaluation consultants, assessing work performance, appraising staff potential, and determining training and development needs.
 - Informing the Advisory Management Team on issues of concern related to evaluation.
 - Developing an annual two-year rolling work plan, taking into account such criteria as: level of coverage of CDB's investments; absorptive capacity of CDB and BMCs; potential for organizational learning; and contribution to decision-making on projects, programs, policies, and other development activities.
 - Setting evaluation standards for planning, conducting, and using evaluations.

- Conducting strategic and thematic evaluations, project and program evaluations, and other evaluations, as appropriate.
- Ensuring that all OIE evaluations are of a high quality, as measured by international good practice standards.
- Reporting to APEC on the performance of OIE in carrying out its responsibilities.
- Evaluation reporting
 - Providing OIE evaluation reports to the Board of Directors through APEC on a timely basis, including an annual report on evaluation results.
 - Consulting with program management and the Advisory Management Team on evaluation plans, including the annual work program and scheduling of specific OIE evaluations.
 - Reviewing and providing comments on Management responses and action plans.
 - Maintaining a system to track the implementation of commitments made in Management responses and action plans to address the recommendations of OIE evaluations.
 - Submitting an annual report to APEC that tracks the use of OIE evaluation results across the CDB and the status of the implementation of Management responses and action plans.
- Support to Operations
 - Providing tools such as evaluation manuals, advice, and guidance to Operations divisions.
 - Offering advice as to qualified consultants that might best suit an evaluation activity.
 - Supporting staff training in evaluation.
 - Providing general advice and knowledge on methodology and lessons learned based on evaluative work at appropriate stages of the program and project cycles to support Operations in designing adequate frameworks for evaluation.
 - Participating in Loans Committee discussions to provide insights from evaluation findings, but without making decisions on individual projects, programs, or other development activities.
 - Conducting quality assessments of the evaluative work of Operations divisions.

- Dissemination of evaluation results/knowledge management
 - Maintaining a repository of evaluations, Management responses, and lessons.
 - Publishing evaluation reports, along with Management's responses and action plans, following submission to/discussion by APEC, in accordance with CDB's Disclosure Policy.
 - Developing and implementing a dissemination strategy so that evaluative information is broadly disseminated across the CDB to promote organizational learning e.g. lessons learned sessions, brown-bag lunches, workshops, pamphlets, short issues papers.
 - Distilling evaluation findings and lessons learned for dissemination in appropriate formats for targeted audiences both within and outside CDB.
- Capacity development
 - Building a repository of good practice standards and approaches for evaluation management in CDB.
 - Promoting evaluation capacity among CDB staff.
 - Strengthening local capacity to design, implement and use evaluations through participatory approaches to evaluation and the use of local evaluation resources.
 - Providing evaluation capacity building in Member Countries, to the extent resources permit.
- Operational audits and reports
 - Auditing all PCRs and preparing PPARs to be submitted to APEC and the Board of Directors and disseminated to senior CDB staff.
 - Preparing an annual report of evaluation results for submission to APEC and the Board of Directors. Such a report may develop into an annual report on CDB's development effectiveness.