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CARIBBEAN DEVELOPMENT BANK



**EXTERNAL REVIEW OF THE OFFICE OF INDEPENDENT EVALUATION,
CARIBBEAN DEVELOPMENT BANK**

AND

MANAGEMENT'S RESPONSE

with

**FINAL REPORT
ON
THE EXTERNAL REVIEW OF THE OFFICE OF INDEPENDENT EVALUATION,
CARIBBEAN DEVELOPMENT BANK**

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**OFFICE OF INDEPENDENT EVALUATION
APRIL 2017**

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GENERAL COMMENTS

In the past decade, peer review of their evaluation functions has become an accepted best practice at Multilateral Development Banks (MDBs). According to the Evaluation Cooperation Group:

“The goal is to help the reviewed institution improve its policy making, adopt best practices, and comply with established standards and principles.”

The External Review of the evaluation function of the Caribbean Development Bank (CDB) took place against the background of the adoption of the Bank’s current Evaluation Policy in late 2011 and the creation of a new Office of Independent Evaluation (OIE) in 2012 to succeed the Evaluation and Oversight Division. In this sense, while opportune to review progress to date, this Peer Review covers only the early stage of OIE’s operations (mid-2012 to December 2015).

The main conclusions, findings and recommendations of the Review Panel’s Report entitled *“External Review of the Office of Independent Evaluation, Caribbean Development Bank”* are provided in the Attachment to the Paper. The Report was finalised based on discussions of initial drafts of the Report between the consultants and OIE staff. Also, in November 2016, the Consultants, some members of senior management, and OIE staff participated in a teleconference to clarify process and other issues.

The Reviewers’ recommendations are directed to three main groups – the Oversight and Assurance Committee (OAC), CDB’s Management, and OIE. These are summarised, along with Comments and Responses by Management and OIE on each specific set of recommendations.

The key messages in the Peer Review point to opportunities for CDB to:

- (a) improve the quality of evaluation reports and make greater use of the lessons embedded in these reports;
- (b) streamline the internal processes for the review of evaluation reports to ensure timely considerations of findings and recommendations by the OAC;
- (c) adopt a medium-term strategic planning framework for evaluation, to among others, facilitate better resource planning; and
- (d) strengthen the culture of, and capacity for, evaluation within the Bank.

Management and OIE are in agreement with the broad tenets of these core recommendations, which themselves speak to the Bank’s ongoing effort to strengthen internal evaluation capacity, starting with the restructuring of the function in 2012.

One general area in which CDB and the Reviewers were not in complete agreement revolved around the finding that the functional independence of OIE was being compromised by the current funding arrangements and the delays in the submission of evaluation reports to OAC.

(a) Independence and OIE Funding

For effective use of its resources, CDB must consider all of its options carefully and undertake a strategic balance of operational choices in the allocation of financial and human resources to meet multiple competing needs. The Bank is subject to the same fiscal austerity as other MDBs, with a restriction of **zero**

real growth on its Administrative Budget. This is a major challenge, when ongoing demands for structural and organisational change place a disproportionate burden on attracting new skills to growth areas like Renewable Energy and Energy Efficiency; Climate Change; Environmental Sustainability; Disaster Risk Management and Resilience; and Gender Equality without losing skills in the more traditional areas of the Bank's portfolio. Expansion into these areas is occurring at the same time that the Bank is expanding its role and strengthening its skills in areas such as risk management; integrity, compliance and accountability; internal audit; communications; and information disclosure.

The Reviewers did acknowledge that OIE is in the same internal market as other functional areas for CDB's scarce administrative resources and, therefore, subject to the same provisions and internal allocation of resources, based on the annual work programme planning and budgeting exercises. Consistent with the Evaluation Policy, CDB has tried to accommodate OIE's needs for funding, over and above the budgetary allocations to the Office, in more creative ways, for example, through access to alternative sources, like the SDF and the United Kingdom's Caribbean Infrastructure Partnership Fund, in much the same way as other MDBs use Trust Funds to supplement evaluation resources.

To access SDF or any other supplementary resources, for that matter, OIE must follow the approval process and adhere to the rules and procedures that govern access to those resources. It is important to strike a balance between independence and accountability as part of the Bank's broader governance functions and processes, where OIE is subject to the same levels of scrutiny, financial requirements, processes and procedures, including financial prudence and securing value for money, as all of the other areas of the Bank's operation.

The process for accessing SDF funding is neither complex nor lengthy; and due to the blending of resources approach utilised by CDB, there is no impediment to the selection of evaluation topics or themes such as could be seen as compromising of OIE's independence. While both CDB Management and OIE could be more proactive in identifying and mobilising resources dedicated to the Office's proposed activities, the provision of such resources would, no doubt, require compliance with appropriate governance arrangements, such as those relating to access, approval and accountability.

The Reviewers recommended that a more strategic medium-term planning horizon could expand the predictability of resources available for evaluation, while also enhancing OIE's responsiveness to new and emerging areas of interest. Ideally, this plan would be financed from a single budget, without recourse to extra-ordinary funding. CDB's Management and OIE acknowledge that a medium-term plan that takes careful account of the Bank's Strategic Plan and recognises the absorptive capacity constraints that CDB and the BMCs themselves face will enhance the positioning and usefulness of evaluation within the organisation. That said, in the overall zero real growth context, it will continue to be necessary to finance evaluation work with a combination of administrative budget and other resources. It is proposed, however, during the medium-term planning exercise, to identify a suitable mechanism for approval of funding for the preparation of evaluation reports which has due regard to the requirements of the funding source.

(b) Strengthening Evaluation Processes and Procedures

The Reviewers called for improvements in the timeliness of submission of evaluation reports and their Management Responses to OAC. They further suggested that, in cases where the Management Responses are not available on time, the evaluation reports should be submitted to OAC, and the Management Responses follow at a later date.

Staff of OIE and the Operations Area are currently in consultation with a view to reaching agreement on a workable protocol (formal or informal) to improve the timeliness within which the review exercise is completed. The solution cannot simply involve the submission of evaluation reports to OAC

with or without confirmation that “*fact checking*” by the Operations Area and/or the Management Response has been completed or to suggest submission of documents twice – first without the Management Response and then subsequently with the Management Response. Completion of the review by the Operations Area plus the preparation of the Management Response are two safeguards that can enhance the reliability and integrity of the conclusions drawn and the feasibility as well as the practicability of the recommendations coming out of the reports. The real value of the evaluation reports will be assessed in terms of the Bank’s acceptance, adoption and readiness to embrace the lessons learnt and the recommendations. The Evaluation Policy underscores that evaluations, assessments or other reviews should be finalised and be accompanied by a Management Response when submitted for OAC’s consideration. In addition, against the background where the Reviewers themselves noted that the volume, length and number of documents presented to OAC was overwhelming, it does not seem to be a particularly efficient or useful process to be submitting documents twice.

Improvements in the process will require careful planning, consultation, and coordination to ensure that reports are reviewed and comments provided within a reasonable timeframe. CDB Management is committed to finding a solution, which is more efficient and timely, and will thus ultimately facilitate more useful evaluation reports.

CONCLUSION

A synthesis of the main findings and recommendations of the External Review, along with comments and responses by CDB’s Management and OIE, is presented in Tables 1-3 below. A monitoring framework is proposed at Table 4. The complete Report is attached.

OAC is asked to **consider** the findings and recommendations of the Peer Review taking into account the comments and responses made by CDB’s Management and OIE.

OAC is also asked to pay special attention to those recommendations that are tailored for OAC and to **advise** proposed actions to be taken, if necessary.

TABLE 1: EXTERNAL REVIEWERS' RECOMMENDATIONS TO OAC

REF.	CONCLUSIONS	RECOMMENDATIONS	OAC'S COMMENTS/ RESPONSES
ADEQUACY OF PROVISIONS FOR ASSURING OIE'S INDEPENDENCE			
2.09	<p><u>The Evaluation Policy</u></p> <p>CDB's Evaluation Policy is a mission statement of what could be achieved in time with sufficient financial and human resourcing. It reflects the internationally recognised evaluation principles and standards, but is somewhat ambitious for the OIE given current resourcing.</p>	<p>After several "teething years", OAC should be clearer about its expectations of OIE and at the same time, about what is feasible for the evaluation function within the CDB context. At this stage the Policy should be reviewed and modified to better reflect the reality.</p>	
2.18	<p><u>On Methodological Issues</u></p> <p>(a) OAC firmly supports having an independent evaluation function that produces rigorous evaluations.</p> <p>(b) OAC considers that OIE is a credible entity and is satisfied with its methodological approach to evaluation.</p> <p><u>On Process and Procedures</u></p> <p>(a) It attaches much importance to evaluation's ability to highlight key lessons.</p> <p>(b) However, OAC is not performing its oversight function with sufficient firmness to bring about any change regarding the challenges evaluation raises or has to deal with. This is not helped by the lack of any systematic report on "follow up of actions agreed" which could be particularly useful for tracking changes as a consequence of an evaluation and management's response.</p> <p>(c) OAC could do more justice to its</p>	<p>OAC should take a firmer stand <i>vis-à-vis</i> CDB and the BMCs in getting them to address the problems causing delays to reporting evaluations, whether related to CDB internal issues, to the paucity and/or lack of data available in the BMCs for its evaluation activities, or the scheduling of, for example, country visits.</p> <p>The BMC representatives in OAC/on the Board should use their role as "ambassadors to the Bank" and leadership position to champion monitoring and evaluation in their respective Ministries and Governments to convey and demonstrate the utility of evaluation in enhancing their own results, transparency and credibility.</p> <p>Equally, OAC should be more systematic in following up on how evaluation findings/actions agreed from evaluations or management responses are being dealt with.</p>	<p>See OIE's response to similar comment in relation to OIE at paragraph 2.18 below.</p>

REF.	CONCLUSIONS	RECOMMENDATIONS	OAC'S COMMENTS/ RESPONSES
	<p>oversight responsibly if it were to receive all background documents systematically at least two weeks before its meetings. Moreover, the volume and length of documents received at any one time is considered to be overwhelming.</p> <p>(d) The number and/or importance of agenda items competing for attention at any one session is an additional handicap.</p> <p>(e) OAC's TOR includes a meeting between OAC and Head of OIE "in executive session at least annually" (9.3 (e) (ix)). The Panel welcomes this as progressing evaluation at CDB towards UNEG Good Practices.</p>	<p>There should be an item "follow-up on agreed actions arising from evaluation reports/activities" which should systematically figure on the OAC meeting agenda.</p>	<p>See both Management and OIE's responses to similar comment in relation to Management and OIE at paragraph 2.18 below.</p>
ADEQUACY OF THE OIE'S HUMAN AND FINANCIAL RESOURCES			
2.106	<p>(a) OIE is inadequately resourced to meet the expectations outlined in CDB's Evaluation Policy. However, the Panel recognise that CDB itself has budgetary restrictions.</p> <p>(b) OIE's annual administrative budget – as part of CDB's administrative budget – is inadequate to meet the various activities in which OIE should be engaged. Current arrangements for securing extra funding can limit OIE's ability to exercise autonomy over its activities. For example, the selection of evaluation topics, themes and countries appear to be primarily influenced by budgetary concerns, as is the case for developing essential evaluation management activities. As such, the funding arrangements are challenging OIE's functional independence.</p>	<p>OAC should recommend that CDB and the Board identify specific M&E budgets to be integrated as a budget line/allocation within grants and loans, as well as for trust funds. These could then be used to support CDB's self and independent evaluation activities.</p> <p>OAC should ensure OIE's resource base is expanded over time to facilitate an appropriate level of independent evaluation of the Bank's new areas of focus (e.g. renewable energy, environmental sustainability, disaster risk mitigation).</p>	

TABLE 2: EXTERNAL REVIEWERS' RECOMMENDATIONS TO CDB'S MANAGEMENT

REF.	CONCLUSIONS	RECOMMENDATIONS	CDB MANAGEMENT'S RESPONSE
ON STRENGTHENING EVALUATION PROCESSES AND PRODUCTS TO IMPROVE USE			
2.18	<p><u>On Process and Procedures</u></p> <p>(a) It [OAC] attaches much importance to evaluation's ability to highlight key lessons.</p> <p>(b) However, OAC is not performing its oversight function with sufficient firmness to bring about any change regarding the challenges evaluation raises or has to deal with. This is not helped by the lack of any systematic report on "follow up of actions agreed" which could be particularly useful for tracking changes as a consequence of an evaluation and management's response.</p> <p>(c) OAC could do more justice to its oversight responsibly if it were to receive all background documents systematically at least two weeks before its meetings. Moreover, the volume and length of documents received at any one time is considered to be overwhelming.</p> <p>(d) The number and/or importance of agenda items competing for attention at any one session is an additional handicap.</p>	<p>The CDB secretariat should ensure that all documents are systematically received by OAC at least two weeks before each meeting.</p> <p>There should be an item "follow-up on agreed actions arising from evaluation reports/ activities" which should systematically figure on the OAC meeting agenda.</p>	<p>ACCEPTED</p> <p>ACCEPTED</p>
2.29	<p>Protection from External Influence or Interference</p> <p>Regarding functional independence, the timely delivery of OIE's reports can be (and have been in some cases) affected by the delays in the exchange of reports between the OIE and Operations. In terms of</p>	<p>Some form of protocol on avoiding unnecessary delays in the exchange of reports /management responses between OIE and CDB should be agreed as a matter of urgency. Management must commit to providing a response within a limited timeframe (two to three weeks maximum is more the</p>	<p>ACCEPTED</p> <p>A process for streamlined consideration/ finalisation of evaluation reports and Management Response Action Plans to be developed.</p> <p>With respect to disclosure of evaluation reports, all evaluation reports that are eligible for uploading have been uploaded, including those that have been</p>

REF.	CONCLUSIONS	RECOMMENDATIONS	CDB MANAGEMENT'S RESPONSE
	<p>transparency, few evaluation reports are publically available, this may be due to delays in the implementation of the CDB Information Disclosure Policy. However, it is an important consideration to be taken into account in developing an effective communication strategy. (This is discussed in more detail under section 2.2.2.)</p>	<p>norm). Any delays should then be reported to OAC.</p>	<p>completed subsequent to the date of this Report.</p>
TIMELY REPORTING AND QUALITY EVALUATION PRODUCTS			
<p>2.47 and 2.71</p>	<p>The key stakeholders within CDB are increasingly integrated into the processes for agreeing evaluation topics, design, and reports. But there is no systematic provision for engaging stakeholders in the evaluation process throughout.</p> <p>Thus, sustained stakeholder engagement is likely to be weakened and there could well be missed opportunities for offering solutions to any challenges encountered during an evaluation.</p> <p>The Panel considers the process of reviewing draft reports as overcomplicated and inefficient. Similarly, the process is also complex and lengthy when seeking additional funds from sources outside the approved administrative budget.</p>	<p>The process for reviewing draft copies of the evaluation report and finalising the management response should be made more efficient. Any factual corrections to the reports should be dealt with within a defined time period, otherwise taken as accepted.</p> <p>Ideally management responses should be submitted to OAC together with the independent evaluation reports. However, should there be significant delays, OIE should be able to submit documents without necessarily waiting for the accompanying management response.</p>	<p>NOT ACCEPTED</p> <p>The suggestion that failure to respond within a given deadline should be interpreted as confirmation that the document is factually correct is not accepted. It is important that OIE receives confirmation that the fact checking exercise has been completed satisfactorily.</p> <p>Staff of the Operations Area will continue to work collaboratively with OIE staff to devise an approach that will maintain the integrity of the process while speeding up completion of the exercise.</p> <p>With respect to the accessing of funds outside of the approved administrative budget, there is no empirical evidence to support the conclusion of the Reviewers that accessing the SDF is a process that is lengthy and complex. It is also not Management's experience that it is.</p> <p>NOT ACCEPTED</p> <p>The Evaluation Policy states that <i>"...Once an OIE report is submitted to [OAC] APEC, it is regarded as final, except for any minor editing to correct typographical, spelling, or grammatical errors, and formatting for publication."</i></p> <p>This recommendation not only undermines the spirit of the Evaluation Policy but increases the risk of low staff buy-in and commitment to implement recommendations that could yield such improvements.</p>

REF.	CONCLUSIONS	RECOMMENDATIONS	CDB MANAGEMENT'S RESPONSE
			To accept the recommendation of the Reviewers would be to agree to an inefficient process with little utility, requiring OAC, against the background of a heavy workload, to consider documents twice. It would also be inconsistent with the Evaluation Policy.
2.57	The Panel considers that, in principle, there are adequate tools for supporting the self-evaluations and their validation. But the manuals are not “user-friendly” and rating scales and their use are over-emphasised. The process for developing and managing the independent evaluation process is not documented. OIE draws on the standard approaches and practices of other relevant organisations e.g. the MDBs and UN agencies as well as some of the bilateral donors, but does not have its own Manual to standardise and harmonise procedures and practices. The lack of an established Quality Assurance Unit in CDB that is independent from OIE is a weakness that is recognised but not been adequately resolved.	The tools used to support self-evaluations and the process itself should be simplified to encourage timelier reporting.	ACCEPTED
2.72	With the latest independent evaluations, OIE is expected to achieve its 2015 objective of planning and delivering timely studies. But the process for securing approval and funding, particularly for studies requiring additional resources, is inefficient. The current funding arrangements also allow little flexibility for resourcing a more strategic pipeline of evaluations in ‘anticipation’ of new policies and strategies being reviewed. ‘Timely’ planning is also about the strategic ‘timing’ and ‘commissioning’ of evaluation in	(a) The efficiency of processes in place to approve evaluations that need extraordinary funding should be improved through a revised strategic planning process. This should conclude with a medium-term strategy (five years in line with CDB’s strategic plan) and relevant budget forecast which should specify the costs of all planned activities over the period (discussed further under the adequacy of resources section).	ACCEPTED Planning within a medium-term framework can enhance the predictability of OIE’s resource requirements, over time. The forecasts must take into consideration constraints imposed on CDB’s Administrative Budget; and capacity limitations in CDB and in the BMCs.

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	line with emerging policy cycles.	(b) The setting up of a Quality Assurance Unit in the operations area should be a priority. It could oversee quality at entry, quality of supervision, as well as the quality of completion reports.	ACCEPTED
ADEQUACY OF THE OIE'S HUMAN AND FINANCIAL RESOURCES			
2.106	<p>(a) OIE is inadequately resourced to meet the expectations outlined in CDB's Evaluation Policy. However, the Panel recognise that CDB itself has budgetary restrictions.</p> <p>(b) OIE's annual administrative budget – as part of CDB's administrative budget – is inadequate to meet the various activities in which OIE should be engaged. Current arrangements for securing extra funding can limit OIE's ability to exercise autonomy over its activities. For example, the selection of evaluation topics, themes and countries appear to be primarily influenced by budgetary concerns, as is the case for developing essential evaluation management activities. As such, the funding arrangements are challenging OIE's functional independence.</p>	<p>There should be a budget forecast in line with the medium-term strategy and work programme; it should be protected and any anticipated, unused monies returned to CDB in the annual mid-term budget review. This should, however, not reduce the following year's budget forecast</p>	<p>NOT ACCEPTED</p> <p>The rules governing OIE's budgeting process should be similar to those for CDB.</p> <p>The amount allocated must take into consideration constraints imposed on CDB's Administrative Budget and capacity limitations (absorptive and other) in CDB and in the BMCs.</p> <p>The process for accessing SDF funding is neither complex nor lengthy; and due to the blending of resources approach utilised by CDB, there is no impediment to the selection of evaluation topics or themes such as could be seen as challenging to OIE's independence.</p>

TABLE 3: EXTERNAL REVIEWERS' RECOMMENDATIONS TO OIE

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
QUALITY OF EVALUATION PRODUCTS AND TIMELY REPORTING			
	<p>The Panel considers that in the main, the OIE's independent reports are well structured and evidence-based. Their quality is variable; in part due to the limited availability of rigorous data, particularly in the BMCs, as well as too many types of delays.</p> <p>The independent evaluation reports tend to be long and overly detailed so that the thread is difficult to follow. There is too much detail and emphasis on ratings in the body of the main report, which may draw the reader's attention away from the real issues.</p> <p>The depth and detail of the PCR Reviews (validation reports) make them rich, but also difficult to read. OIE's time commitment for the PCR validations seem disproportionate in relation to its other tasks. This is partly due to the sometimes-lengthy exchange between the OIE and the operations area to agree the validation reports.</p> <p>A major shortcoming is the systematic lack of a TOC in the APs, as well as in the final reports. Moreover, the link between the evaluation questions and their answers is not always clear; in short the explanation on how judgments are made is not always obvious.</p>	<p>OIE should ensure that its reports and documents are "reader-friendly." They should also include a briefing document to focus the discussion (e.g. making clear what the key issues for discussion/decisions/follow-up actions are). The recent Evaluation Briefs are an improvement but should have a sharper focus on the strategic issues to be discussed and what actions, if any, need to be taken.</p> <p>The quality and impact of OIE's independent evaluation products should be improved, such as by:</p> <ul style="list-style-type: none"> (i) Systematic inclusion of TOCs in APs and reconstructed in final reports. (ii) Links between findings, conclusions and recommendations could be improved by making them more explicit. In other words, reports should include the story on how the intervention is credibly linked to any observed outcomes and impacts, and should be clear on how causal claims are made. (iii) The reports and their executive summaries should be shorter, more concise and "user-friendly". This could be achieved by putting much of the detailed discussions particularly on methodology, limitations, ratings and their evidence base, in an Appendix, with a brief summary in the main report. This would help give the lessons and recommendations a more prominent position than is now the case. This 	<p>ACCEPTED</p> <p>Ensuring the editorial quality, conciseness and "readability" of evaluation reports is key to their credibility and use by stakeholders. OIE commits to this increase in quality, as well as to providing readable executive summaries or briefs for all reports.</p> <p>ACCEPTED</p> <p>The Theory of Change construct will be used more consistently in Approach Papers and Evaluation Reports.</p> <p>Particular attention will be paid to ensuring that evidence underlies clear linkage between findings, conclusions and recommendations.</p> <p>Similar to the commitment made for the preceding recommendation, the concision and readability of evaluation reports will be improved.</p>

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
		<p>would also help make the evaluation reports not only shorter but also more interesting to read; this could help add value to evaluation's image within the organisation.</p>	
	<p>However, OAC is not performing its oversight function with sufficient firmness to bring about any change regarding the challenges evaluation raises or has to deal with. This is not helped by the lack of any systematic report on "follow up of actions agreed" which could be particularly useful for tracking changes as a consequence of an evaluation and management's response.</p>	<p>OIE should be tasked with providing a tool or template in which all agreed recommendations are entered, tracked, and validated on completion. Reports to OAC can then be based on this.</p>	<p>ACCEPTED</p> <p>A template for recording and tracking implementation of all evaluation recommendations, and Management Responses Action Plans, will be developed and managed by OIE to better inform OAC deliberations.</p>
2.29	<p>Regarding <i>functional independence</i>, the timely delivery of OIE's reports can be (and have been in some cases) affected by the delays in the exchange of reports between the OIE and Operations.</p> <p>The Panel finds that the processes in place for approving evaluations, especially when extraordinary (e.g. SDF) funding is needed, and for reviewing report drafts are overcomplicated and inefficient. Moreover, the latter can affect the timely reporting of OIE evaluations to OAC.</p>	<p>Some form of protocol on avoiding unnecessary delays in the exchange of reports / management responses between OIE and CDB should be agreed as a matter of urgency. Management must commit to providing a response within a limited timeframe (two to three weeks maximum is more the norm). Any delays should then be reported to OAC.</p>	<p>ACCEPTED</p> <p>A process for streamlined consideration/finalisation of evaluation reports and Management Response Action Plans is to be developed, based on an agreed protocol between OIE and Operations.</p>
EVALUATION UTILITY AND USER ENGAGEMENT			
2.72	<p>The Review finds that OIE has taken steps to improve the perceived utility of evaluation in two important ways.</p> <p>(a) In the first instance, by planning its work to provide relevant and timelier evidence geared towards helping the Board with its oversight and decision making tasks. The topics are selected through dialogue between OIE and key CDB stakeholders and reflect priorities of CDB's strategic</p>	<p>OIE has shown initiative in its attempts to secure CDB 'buy-in' and interest in evaluations by engaging relevant stakeholders in the choice of evaluation topics, the evaluation designs and in the reporting stages. "Ownership" and engagement could be further enhanced by establishing an "Evaluation Advisory or Consultative Group" to follow and advise on the progress of individual evaluations throughout the various phases of the evaluation cycle. Members should</p>	<p>ACCEPTED</p> <p>Evaluation Consultative Groups will be constituted for major independent evaluations.</p>

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
	<p>plan. However, the current funding arrangements allow little flexibility for resourcing additional topics which are not included in the administrative budget, nor a more strategic pipeline of evaluations in 'anticipation' of new policies and strategies under review. 'Timely' planning is also about the strategic 'timing' and 'commissioning' of evaluation in line with <i>emerging policy cycles</i>.</p> <p>(b) Secondly, by securing the interest and consequently the buy-in of OAC and CDB senior management through engaging their input at key stages during the evaluation process. This is evidenced by the reported interest in the latest three studies, the Country Strategy Programme in Haiti, the Evaluation of PBOs and the SDF 6 & 7 Multicycle Evaluation. However, there is no provision for systematically engaging stakeholders in the evaluation process throughout. OIE is missing out on potential opportunities for having stakeholder advice regarding evaluation progress and possibly offering solutions to any challenges encountered during the course of an evaluation.</p> <p>The tools developed to support the validation of self-evaluations are complete but tend to be long and "user-unfriendly".</p> <p>Evaluation places much emphasis on the DAC criteria – as is usual among the MDBs – and their rating; however in some cases other types of criteria (or sub-sets</p>	<p>be drawn from both internal and external stakeholders. For example, these should include representatives from the relevant CDB Unit/Division/Department, the BMC, and possibly those responsible for implementation. Such groups are gradually becoming common practice in other organisations and have provided added value in several ways: improving access to data, networking, capacity building, identifying relevant messages for relevant stakeholder groups, tracking implementation of recommendations and lessons, and generally enhancing the value and use of evaluation.</p> <p>A standardised procedure for developing and managing independent evaluations should be documented in an OIE Evaluation Manual. Guidelines and checklists should be included as they contribute to assuring a coherent and transparent procedure, which is particularly important when employing new staff so as to assure that OIE procedures are known and applied.</p> <p>Training on the use of support tools, especially for CDB and OIE new staff, should be systematic.</p>	<p></p> <p>ACCEPTED</p> <p>The current guideline for preparation of PCVRs will be supplemented by a manual including guidelines and checklists for the planning and management of independent evaluations.</p> <p>ACCEPTED</p> <p>New OIE staff will be trained and mentored in the use of evaluation tools.</p>

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
	<p>of criteria depending on the question / issue at hand) could be more important for the focus rather than attempting to take into account all five DAC criteria. The choice should depend on the policy decisions to be taken.¹</p> <p>The documentation on a standardised procedure (e.g. Manual) for the independent evaluation process is missing.</p>		
2.85	<p>There is indication of some <i>reflective use</i> of evaluation through organised workshops to consider emerging findings and possible actions in response and of one example of a <i>conceptual use</i>. However, documented evidence on the uptake of evaluation is sparse. (<i>Instrumental use</i>)</p> <p>OIE itself is neither aware of how evaluation is used nor is it documenting use.</p> <p>OIE has not as yet established a systematic record keeping system to track lessons learned or the uptake of recommendations (or actions agreed by OAC and/ CDB management).</p> <p>Although the Evaluation Policy specifies the need for “distilling evaluation findings and lessons learned in appropriate formats for targeted audiences both within and outside the CDB” (p.19) such a targeted communication strategy has yet to be developed.</p> <p>Transparency is improving, as some of the independent evaluations are now available in the public domain on CDB’s website.</p>	<p>The tracking of recommendations and lessons drawn from evaluations and their use should be a priority. This is an important knowledge management function that should be overseen by OIE.</p> <p>OIE should prioritise its role in supporting organisational learning as indicated in the Evaluation Policy.</p> <p>OIE should develop a knowledge brokering role so that a wider group of stakeholders are better informed about relevant messages arising from the evaluations. A specific budget should be earmarked in OIE’s overall budget for such purposes.</p> <p>Establishing Evaluation Advisory/ Consultative Groups for accompanying individual evaluations should include internal and external stakeholders; an important task should be to advise on a targeted strategy for communicating important messages and lessons drawn from the evaluations</p>	<p>ACCEPTED</p> <p>A recommendations tracking template (Draft format presented at Appendix 1) and software will be implemented, to facilitate reporting to OAC.</p> <p>ACCEPTED</p> <p>OIE will pay renewed attention to the Evaluation Policy’s requirement that it maintain a repository of evaluations; and distill, publish and disseminate them.</p> <p>ACCEPTED</p> <p>See above</p> <p>ACCEPTED</p> <p>As indicated earlier, Evaluation Consultative Groups will be constituted for major independent evaluations. Their advice on the best ways to communicate messages and lessons will be sought.</p>

¹ For example, for EIB’s evaluation of Climate Action (2015), there was much emphasis on evaluating the contribution of the bank’s operations to greenhouse gas emission mitigation (which is de facto a subset of effectiveness). The evaluation of efficiency of projects was not taken into account. Similarly, different criteria would be needed in the use of a developmental evaluation approach, which would largely be focused on implementation issues.

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
	<p>OIE's strategy for communicating evaluation results does not match the spirit outlined in the Evaluation Policy: it does not appear to take into consideration stakeholders outside of CDB and OAC/BOD.</p>		
STRENGTHENING EVALUATION CAPACITIES AND NETWORKING			
2.94	<p>The Review cannot comment on the quality or reaction to OIE's capacity building activities, but can commend OIE for taking it on board. From both the Policy and the documents examined, it was noted that capacity building was always an issue to be tackled, but one which tended to be put to the bottom of the 'to do' list.</p>	<p>For its own staff, OIE would do well to assess staff skills at least annually, and devise a suitable professional development programme to address individual needs. This will be increasingly important as OIE engages in high-level evaluations and takes on a broader range of themes e.g. gender, climate change etc.</p>	<p>ACCEPTED</p> <p>OIE staff skills will be reviewed annually, and development opportunities sought to match the requirements of the forward evaluation agenda.</p>
	<p>Capacity-building for OIE staff is being addressed, mainly informally through "on the job" training.</p> <p>In the main, for capacity-building within CDB, the Panel agrees with OIE's decision to "add on" to existing CDB training opportunities being organised by the Corporate Planning and Technical Cooperation Divisions, particularly in view of OIE's limited resources. This should not, however, negate exploring other, more informal opportunities.</p>	<p>Efforts to build capacity within CDB and develop an appreciation and culture of evaluation should remain an important element of OIE's activities. It should continue to "tag-on" to activities organised by CDB. However informal measures, such as through supporting organisational learning and dialogue throughout the whole evaluation process, can offer many informal opportunities to promote the added value evaluation can bring.</p>	<p>ACCEPTED</p> <p>Building evaluation culture and capacity in the Bank will remain a commitment of CDB Management and OIE.</p>
	<p>Working with the BMCs is certainly an important need, but will require focus and additional human and financial resources.</p>	<p>For developing capacity within the BMCs, OIE would do well to work together with the appropriate CDB Divisions – e.g. Technical Cooperation Division - in order to define a strategy and complementary budget.</p>	<p>ACCEPTED</p> <p>CDB will support the strengthening of BMC capacity for evaluation of publicly-funded projects and programmes, where demand exists.</p>

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
APPROPRIATENESS OF OIE'S CURRENT STRATEGY, WORK PRACTICES AND WORK PROGRAMME			
2.99	As it stands, OIE's current strategy and work programme do not sufficiently take account of the full range of activities and time commitment needed to develop higher-level evaluations, support evaluation management tasks and develop staff competencies. Moreover the strategy and work programme activities are insufficiently detailed in terms of projected costs.	OIE needs a clearer medium-term (five-year) strategy with well-defined objectives and explicit expectations on what it is trying to achieve, the types of evaluations to be undertaken, and over what time period.	ACCEPTED Planning for evaluation will be extended beyond the current two-year time horizon to five years, with priorities to be closely informed by CDB's Strategic Plan.
		In order to enhance the value and utility of evaluation, OIE's evaluation management tasks, especially knowledge management and knowledge brokerage, need to be given higher priority and time commitment. OIE should forecast sufficient funds to support a medium-term strategy and work programme. The budget should include sufficient provision for improving knowledge sharing activities, evaluation management tasks more generally and OIE staff professional development.	ACCEPTED As stated above, OIE will allocate more effort to knowledge management and dissemination, and recognise the need for these activities in its medium-term strategy.
		The strategy should be adequately costed so as to avoid resorting to extraordinary funding sources.	ACCEPTED Required resourcing for evaluation will be estimated based on the medium-term plan. Taking account of budget realities, funding of these requirements may come from a mix of administrative budget and other resources.
ADEQUACY OF THE OIE'S HUMAN AND FINANCIAL RESOURCES			
2.106	OIE's current workload is already challenging; for instance, having to address data paucity and poor documentation, which in turn affect the timely delivery of quality evaluations. OIE is inadequately resourced to meet the expectations outlined in	With limited resources and competing priorities, OIE will have to focus on those activities that are highly relevant and purposeful, achievable within reasonable time frames, produce good quality outputs and can generate the highest value added to the organisation.	ACCEPTED The medium-term plan for evaluation will set clear priorities that will add value to the Bank's learning and decision making.

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
	<p>CDB's Evaluation Policy. However, the Panel recognise that CDB itself has budgetary restrictions.</p> <p>OIE's annual administrative budget – as part of CDB's administrative budget – is inadequate to meet the various activities in which OIE should be engaged. Current arrangements for securing extra funding can limit OIE's ability to exercise autonomy over its activities. For example, the selection of evaluation topics, themes and countries appear to be primarily influenced by budgetary concerns, as is the case for developing essential evaluation management activities. As such, the funding arrangements are challenging OIE's functional independence.</p>	<p>OIE should draw up a medium term, costed strategy and work programme that should strike a balance between 'doing' and 'managing' evaluations to enhance their utility. Special attention should be paid to activities aimed at improving communication and enhancing use. Moreover, this has the added advantage of helping build an enabling evaluation environment (a learning and evaluation culture).</p>	<p>ACCEPTED</p>
<p>QUALITY OF WORKING RELATIONSHIP BETWEEN SELF- AND INDEPENDENT EVALUATION</p>			
<p>2.118</p>	<p>Criticism is not necessarily perceived as an opportunity for learning and improvement.</p> <p>There is the very real problem of time restrictions and workload, which is a basic constraint to learning.</p> <p>The knowledge management system is inadequate. There is no systematic way of collecting and sharing experiences and lessons learned.</p> <p>The Panel found that operations staff's perception of evaluation is mixed; some see it as a bureaucratic control mechanism to support accountability. This attitude</p>	<p>OIE should adopt the role of critical friend² in its dealings with the CDB operations area and CDB more generally.</p> <p>OIE should identify, train and engage "champions" within CDB operations to help demonstrate evaluation utility and provide "on the job" training in self-evaluation to colleagues.</p>	<p>ACCEPTED</p> <p>OIE will ensure that it supplies constructive critique and suggestions to CDB Operations, based on lessons gathered in its evaluation practice.</p> <p>ACCEPTED</p> <p>OIE will discuss with the Operations Area the possibility of forming a network of individuals with training/appreciation of evaluation, possibly piggy-backing on the existing informal network of MfDR champions.</p>

² "A critical friend can be defined as a trusted person who asks provocative questions, provides data to be examined through another lens, and offers critiques of a person's work as a friend. A critical friend takes the time to fully understand the context of the work presented and the outcomes that the person or group is working toward. The friend is an advocate for the success of that work." Costa, A. and Kallick, B.(1993) "Through the Lens of a Critical Friend." *Educational Leadership* 51(2) 49-51.

REF	CONCLUSIONS	RECOMMENDATIONS	OIE'S RESPONSE
	<p>weakens evaluation's potential learning dimension. The "frustrations" caused by the delays in the exchange of reports have only exacerbated the problem.</p> <p>To emphasise OIE's new independent role, it has tended to operate at arm's length from operations. OIE's dual role, that is advisory role in relation to operations and its strategic role towards the OAC and senior management, has not been satisfactorily resolved. The operations staff still does not appear to see any urgency in producing their PCR or appreciate what lessons might be drawn from such reflection. OIE is attempting to support "learning" whilst at the same time, keeping a distance. Even though OIE is now trying to emphasise the learning part of evaluation, it will take time to influence attitudes.</p> <p>The absence of a formal 'home' for self-evaluation and capacity development for M&E means that OIE is the first point of call for a range of enquiries, but more often than not too late in the process – at Loans Committee stage.</p>	<p>OIE should help demonstrate the link between self-evaluations and independent evaluations to operations both in their advisory capacity as well as ensuring that this link is better brought out in the independent evaluation reports.</p>	<p>ACCEPTED</p> <p>Independent evaluation reports will explicitly highlight evidence from self-evaluations where appropriate; and OIE will underline the importance of self-evaluation as an input to independent evaluation in its dealings with the Operations Area.</p>

TABLE 4: PEER REVIEW - PROPOSED MONITORING FRAMEWORK FOR OIE

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
<p>OIE1. OIE should ensure that its reports and documents are “reader-friendly”. They should also include a briefing document to focus the discussion (e.g. making clear what the key issues for discussion/decisions /followup actions are). The recent Evaluation Briefs are an improvement but should have a sharper focus on the strategic issues to be discussed and what actions, if any, need to be taken.</p>	<p>Accepted</p>	<p>Ensuring the editorial quality, conciseness and “readability” of evaluation reports is key to their credibility and use by stakeholders. OIE commits to this increase in quality, as well as to providing readable executive summaries or briefs for all reports.</p>	<p>1a) OIE Head takes responsibility for editorial quality of all evaluation reports. 1b) OIE adopts a style guide for “clear writing” as part of its evaluation practice manual. 1c) OIE provides an evaluation summary with each evaluation report.</p>	<p>OIE</p>	<p>2017/06/01 2018/06/01 2017/06/01</p>		
<p>OIE2. OIE should be tasked with providing a tool or template in which all agreed recommendations are entered, tracked, and validated on completion. Reports to OAC can then be based on this.</p>	<p>Accepted</p>	<p>A template for recording and tracking implementation of all evaluation recommendations, and Management Responses Action Plans will be developed and managed by OIE.</p>	<p>2a) OIE to develop template for recording and tracking recommendations and Management Responses and Action Plans (MRAPs). 2b) Information from the template to be uploaded into the same software used by IAD for tracking audit observations, so that OIE and IAD may both track implementation automatically and report in a consistent format to OAC.</p>	<p>OIE</p>	<p>2017/07/15 2017/12/31</p>		

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
OIE3. Some form of protocol on avoiding unnecessary delays in the exchange of reports/management responses between OIE and CDB should be agreed as a matter of urgency. Management must commit to providing a response within a limited timeframe (two to three weeks maximum is more the norm). Any delays should then be reported to OAC.	Accepted	A process for streamlined consideration/finalisation of evaluation reports and Management Response Action Plans to be developed.	3. OIE and VPO to agree on a suitable protocol for report consideration and management response, to be approved by AMT	OIE/VPO	2017/12/15		
OIE 3 (b). The process of reviewing draft copies of the evaluation report and finalisation of the management response should be made more efficient as a matter of urgency.	See OIE3						
OIE4. OIE has shown initiative in its attempts to secure CDB ‘buy-in’ and interest in evaluations by engaging relevant stakeholders in the choice of evaluation topics, the evaluation designs and in the reporting stages. “Ownership” and engagement could be further enhanced by establishing an “Evaluation Advisory or Consultative Group” to follow and advise on the progress of individual evaluations throughout the various phases of the evaluation cycle. Members	Accepted	Evaluation Consultative Groups will be constituted for major independent evaluations.	4. As part of Approach Papers for independent evaluations, OIE will propose Evaluation Consultative Group membership and Terms of Reference specific to each evaluation. To be agreed with Vice-President (Ops.)	OIE/VPO	According to timing of evaluations		

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	Actions	Responsibility Centre	Target Completion Date (Y/M/D)	Revised Target Date (Y/M/D)	Status
<p>should be drawn from both internal and external stakeholders. For example, these should include representatives from the relevant CDB Unit/ Division/Department, the BMC, and possibly those responsible for implementation. Such groups are gradually becoming common practice in other organisations and have provided added value in several ways: improving access to data, networking, capacity building, identifying relevant messages for relevant stakeholder groups, tracking implementation of recommendations and lessons, and generally enhancing the value and use of evaluation.</p>							
<p>OIE4 (b). Establishing Evaluation Advisory/Consultative Groups for accompanying individual evaluations should include internal and external stakeholders; an important task should be to advise on a targeted strategy for communicating important messages and lessons drawn from the evaluations.</p>	See OIE4						
<p>OIE4 (c). Systematically establishing an “Evaluation</p>	See OIE4						

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
Advisory or Consultative Group” to accompany the progress of individual evaluations would also contribute to capacity building both within CDB and BMCs if representatives from both were included in the membership of such groups.							
OIE5. Standardised procedure for developing and managing independent evaluations should be documented in an OIE Evaluation Manual. Guidelines and checklists should be included as they contribute to assuring a coherent and transparent procedure, which is particularly important when employing new staff so as to assure that OIE procedures are known and applied.	Accepted	Current guideline for preparation of PCVRs will be supplemented by one for independent evaluations.	5a) A guideline for OIE’s planning, approval, and implementation of independent evaluations will be prepared. 5b) Guidelines for PCVR and independent evaluation preparation will be consolidated in an OIE manual.	OIE OIE	2018/10/15 2018/12/15		
OIE6. Training on the use of support tools, especially for CDB and OIE new staff, should be systematic.	Accepted	New OIE staff to be trained in all relevant support tools.	6. OIE to ensure that new evaluators are familiarised with and mentored in use of project planning and evaluation support tools.	OIE	2017/08/30		
OIE7. The quality and impact of OIE’s independent evaluation products should be improved, such as by: • Systematic inclusion of TOCs in APs and reconstructed in final reports.	Accepted	The Theory of Change construct will be used more consistently in Approach Papers and Evaluation Reports. Particular attention will be paid to ensuring that evidence underlies clear linkage between	7a) Where ToC has been specified in Appraisal Report it will be included in Approach Paper (AP). Where it has not, it will be constructed for inclusion in the AP where feasible, and if not	OIE	2017/08/30		

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<ul style="list-style-type: none"> • Links between findings, conclusions and recommendations could be improved by making them more explicit. In other words, reports should include the story on how the intervention is credibly linked to any observed outcomes and impacts, and should be clear on how causal claims are made. • The reports and their executive summaries should be shorter, more concise and “user-friendly.” This could be achieved by putting much of the detailed discussions particularly on methodology, limitations, ratings and their evidence base, in an Appendix, with a brief summary in the main report. This would help give the lessons and recommendations a more prominent position than is now the case. This would also help make the evaluation reports not only shorter but also more interesting to read; this could help add value to evaluation’s image within the organisation. 		<p>findings, conclusions and recommendations.</p> <p>Similar to the commitment made under OIE1 above, the concision and readability of evaluation reports will be improved.</p>	<p>in the AP, then in the Evaluation Report.</p> <p>7b) The good practice of using evidence to illustrate findings-conclusions-recommendations logic will be written into the guideline for independent evaluation.</p> <p>7c) Directions for readability will be included in the guideline for independent evaluation.</p>	<p>OIE</p> <p>OIE</p>	<p>2018/12/15</p> <p>2018/12/15</p>		
<p>OIE7 (b). OIE should strive to improve the quality and readability of its evaluation products, credibly linking</p>	<p>See OIE7.</p>						

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
evaluation findings with conclusions and recommendations.							
OIE8. The tracking of recommendations and lessons drawn from evaluations and their use should be a priority. This is an important knowledge management function that should be overseen by OIE.	Accepted	A recommendations tracking template and software will be implemented to facilitate reporting to OAC.	See 2a)(b) above.	OIE			
OIE9. OIE should prioritise its role in supporting organisational learning as indicated in the Evaluation Policy.	Accepted	OIE will pay renewed attention to the Evaluation Policy's requirement that it: maintain a repository of evaluations; and distill, publish and disseminate them.	9a) An enhanced and more user friendly presence for evaluations on the CDB website, as part of overall website redesign, will be developed. 9b) At least three learning events per year, centred on evaluation lessons and best suited to the targeted stakeholders, will be staged.	OIE/Corporate Communications OIE	2018/06/31 2017/12/31		
OIE10. OIE should develop a knowledge brokering role so that a wider group of stakeholders are better informed about relevant messages arising from the evaluations. A specific budget should be earmarked in OIE's overall budget for such purposes.	Accepted	See OIE 9	See 9a) b) above. 10. Beginning in 2018, a specific line item will be entered in the OIE budget for "knowledge management and dissemination".	OIE	2018/08/30		
OIE 10 (b). OIE should develop its knowledge brokerage function: getting the relevant messages from evaluations to the	See OIE10.						

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“right” groups of stakeholders and in an attractive format would help increase the utilisation of evaluation.							
OIE 10 (c). In order to enhance the value and utility of evaluation, OIE’s evaluation management tasks, especially knowledge management and knowledge brokerage, need to be given higher priority and time commitment.	See OIE10.						
OIE10 (d). OIE should continue its work with CDB management and staff on promoting a better understanding of, and support for evaluation in CDB. OIE should strengthen its knowledge broker and critical friend roles, ensuring stronger links between independent and self- evaluation, seeing that lessons from evaluations are communicated widely and that evaluation capacity in CDB is enhanced. OIE with CDB management should put in place a system for tracking actions taken in response to evaluation recommendations and the lessons drawn.	See OIE10.						
OIE11. For its own staff, OIE would do well to assess staff skills at least annually, and	Accepted	OIE staff skills will be reviewed annually, and development opportunities sought to match the	11. The new CDB staff performance management system, to be operationalised	OIE	2018/02/28		

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
devise a suitable professional development programme to address individual needs. This will be increasingly important as OIE engages in high-level evaluations and takes on a broader range of themes e.g. gender, climate change etc.		requirements of the forward evaluation agenda.	in 2018, will provide the opportunity to inventory existing skills and plan for individual development requirements.				
OIE12. Efforts to build capacity within CDB and develop an appreciation and culture of evaluation should remain an important element of OIE’s activities. It should continue to “tag-on” to activities organised by CDB. However informal measures, such as through supporting organisational learning and dialogue throughout the whole evaluation process, can offer many informal opportunities to promote the added value evaluation can bring.	Accepted	Building evaluation culture and capacity in the Bank will remain a commitment of OIE and Management.	12a) OIE will contribute evaluation content to new how-to guidelines for MfDR. 12b) OIE will “tag on” to training activities organised for MfDR, underlining the importance of evaluability in project planning, and self-evaluation as part of supervision. See also 4 and 9b above.	OIE/FIN&CP	2017/06/31 2017/06/31		
OIE13. For developing capacity within the BMCs, OIE would do well to work together with the appropriate CDB Divisions – e.g. Technical Cooperation Division - in order to define a strategy and complementary budget.	Accepted	CDB will support the strengthening of BMC capacity for evaluation of publicly funded projects and programs, where demand exists.	13a. OIE and TCD will investigate opportunities for specific evaluation capacity building initiatives. 13b. As part of the medium-term plan for evaluation (see 14), OIE will outline a broader	OIE/TCD OIE	2018/08/30 2017/12/15		

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
			strategy for evaluation capacity building.				
OIE14. OIE needs a clearer medium-term (five-year) strategy with well-defined objectives and explicit expectations on what it is trying to achieve, the types of evaluations to be undertaken, and over what time period.	Accepted	Planning for evaluation will be extended beyond the current two-year time horizon to five years, eventually to be synchronised with the CDB Strategic Plan.	14. A five year rolling plan for evaluation, informed by CDB's Strategic Plan, will outline thematic priorities, coverage, level of effort, and required resources.	OIE	2017/12/15		
OIE14 (b). OIE should forecast sufficient funds to support a medium-term strategy and work programme. The budget should include sufficient provision for improving knowledge sharing activities, evaluation management tasks more generally and OIE staff professional development.	See OIE10, OIE11, OIE14		See 10, 11, 14				
OIE14 (c). OIE should draw up a medium-term, costed strategy and work programme that should strike a balance between 'doing' and 'managing' evaluations to enhance their utility. Special attention should be paid to activities aimed at improving communication and enhancing use. Moreover, this has the added advantage of helping build an enabling evaluation environment (a learning and evaluation culture).							

<u>Recommendations</u>	<u>Accepted/ Accepted but Modified/ Rejected</u>	<u>Commitments</u>	<u>Actions</u>	<u>Responsibility Centre</u>	<u>Target Completion Date (Y/M/D)</u>	<u>Revised Target Date (Y/M/D)</u>	<u>Status</u>
OIE15. The strategy should be adequately costed so as to avoid resorting to extraordinary funding sources.	Accepted but Modified	Required resourcing for evaluation will be estimated based on the medium term plan (see OIE14). Funding of these requirements however may come from a mix of administrative budget and other resources.	See 14.	OIE CDB	2018/03/30		
OIE16. With limited resources and competing priorities, OIE will have to focus on those activities that are highly relevant and purposeful, achievable within reasonable time frames, produce good quality outputs and can generate the highest value added to the organisation	Accepted	The medium-term plan for evaluation will set clear priorities that will add value to the Bank's learning and decision making.	See 14	OIE	2017/12/15		
OIE17. OIE should adopt the role of critical friend ³ in its dealings with the CDB operations area and CDB more generally.	Accepted	OIE will ensure that it supplies constructive critique and suggestions to CDB Operations based on lessons gathered in its evaluation practice.	This is an attitudinal commitment, rather than a specific action.	OIE			
OIE18. OIE should identify, train and engage "champions" within CDB operations to help demonstrate evaluation utility and provide "on the job" training in self-evaluation to colleagues.	Accepted	An effort to identify evaluation "champions" will be undertaken.	An informal network of staff with interest/expertise in evaluation will be identified, perhaps based on the existing one for MfDR.	OIE/VPO	2018/08/31		
OIE19. OIE should help demonstrate the link between self-evaluations and independent	Accepted	Independent evaluation reports will explicitly highlight evidence from self-evaluations where	19. Approach papers and ToRs for independent evaluations will explicitly	OIE	2018/03/31		

³ "A critical friend can be defined as a trusted person who asks provocative questions, provides data to be examined through another lens, and offers critiques of a person's work as a friend. A critical friend takes the time to fully understand the context of the work presented and the outcomes that the person or group is working toward. The friend is an advocate for the success of that work." Costa, A. and Kallick, B.(1993) "Through the Lens of a Critical Friend". *Educational Leadership* 51(2) 49-51

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evaluations to operations both in their advisory capacity, as well as ensuring that this link is better brought out in the independent evaluation reports.		appropriate, and OIE will underline the importance of self-evaluation as an input to independent evaluation in its dealings with Operations.	require search for, and acknowledgement of, self-evaluation evidence.				

PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK



FINAL REPORT

ON

**THE EXTERNAL REVIEW OF THE OFFICE OF INDEPENDENT EVALUATION
CARIBBEAN DEVELOPMENT BANK**

**FEBRUARY, 2017
OFFICE OF INDEPENDENT EVALUATION**

<p>Primary audiences</p>	<p>The main target audiences of this Review are the</p> <ul style="list-style-type: none"> • Office of Independent Evaluation • Caribbean Development Bank Management and Staff • Members of the Oversight and Assurance Committee • Members of the Board of Directors <p>It is assumed that audiences are familiar with the OIE and evaluation function. Background information and description of evaluation processes and procedures are therefore minimal.</p>
<p>Review Panel Members</p>	<p>Marlène Läubli Loud (DPhil) is currently an independent consultant and trainer in public sector evaluation. She has worked with a range of organisations, small and big including the European Commission, the World Health Organisation, the United Nations Evaluation Group, the UK Employment Department, UK Health Promotion Agency (now merged and become NICE), and the English Nursing Board. She was head of the Research and Evaluation Unit at the Swiss Federal Office of Public Health for nearly 20 years where she gained much experience in evaluation management, and especially in the ways and means for improving the use and utility of evaluation in organisations. She continues to have a keen theoretical and practical interest in this area. Prior to this, she was an independent evaluator in the UK, specialising in the evaluation of developmental programmes in health and general education. She was also a research fellow at the Department of Education, University of Surrey and in the Social Science Faculty, University of Oxford, UK.</p> <p>John Mayne (PhD) is an independent advisor on public sector performance. Over the last 12 years he has focussed largely on international development evaluation and results based management work. He has been working with a number of government, NGOs and international organisations. He has authored numerous articles and reports, including several on contribution analysis, and co-edited eight books on program evaluation and performance monitoring. In 1989 and in 1995, he was awarded the Canadian Evaluation Society <i>Award for Contribution to Evaluation in Canada</i>. In 2006, he was made a Canadian Evaluation Society Fellow. Dr. Mayne's current research interests are on approaches for strengthening impact evaluation, useful theories of change in complex settings and dealing with causality.</p> <p>Bastiaan de Laat (PhD) is Evaluation Expert and Team Leader at the European Investment Bank (EIB) where he was recently in charge of major evaluations in important areas such as Climate Action, SME support and Technical Assistance. He has a longstanding experience in evaluation as well as in foresight. Founder-director of the French subsidiary of the Technopolis Group (1998-2006) he led many evaluations for and provided policy advice to a great variety of local, national and international public bodies. He trained several hundreds of European Commission staff and national government officials in evaluation and designed monitoring and evaluation systems for various public organisations. Before joining the EIB he worked as Evaluator at the Council of Europe Development Bank. He has developed tools and performed programme, policy and regulatory evaluations, both ex ante and ex post, in a variety of fields. He has also made several academic contributions, most recently with articles on evaluation use and on the "Tricky Triangle", on the relationships between evaluator, evaluation commissioner and evaluand.</p> <p>In his private capacity, Bastiaan served as Secretary General of the European Evaluation Society and was recently elected its Vice-President.</p>

Acknowledgements	<p>The Review exercise could not have been possible without the support and commitment of OAC, OIE and CDB. The exploratory discussions with the OIE staff, members of the Board of Directors as well as with the CDB management and staff provided great insight and were a valuable contribution to the Review.</p> <p>We are indebted to the Head of OIE, Michael Schroll, and his team for their cooperation, insight, and readiness to provide us with any information requests. We are also grateful to them for their useful comments regarding the first draft of our report, and for their suggested improvements.</p> <p>We are especially appreciative of OIE’s administrative assistant, Denise Padmore, for her help in coordinating the interviews during our 10-day field study in Barbados and in providing us with all the documents we requested.</p>
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ACRONYMS

AMT	Advisory Management Team
APEC	Audit and Post Evaluation Committee
AP	Approach Paper
AR	Appraisal Report
BoD	Board of Directors
BMCs	Borrowing Member Countries
BNTF	Basic Needs Trust Fund
CDB	Caribbean Development Bank
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DFI	Development Financial Institution
ED	Economics Department
EOV	Evaluation and Oversight Division
ECG	Evaluation Cooperation Group
FI	Financial Institution
IRL	Immediate Response Loan
MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
MfDR	Managing for Development Results
OAC	Oversight and Assurance Committee
OIE	Office of Independent Evaluation
PAS	Performance Assessment System
PBG	Policy-Based Grant
PBLs	Policy-Based Loans
PBO	Policy Based Operations
PCR	Project Completion Report
PCVR	Project Completion Validation Report
PPES	Project Performance Evaluation System
PPMS	Portfolio Performance Management System
Q@E	Quality at Entry
QA	Quality Assurance
SDF	Special Development Fund
TA	Technical Assistance
TOC	Theory of Change
TOR	Terms of Reference
UNEG	United Nations Evaluation Group
WB	World Bank

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PREFACE

Evaluation work at the Caribbean Development Bank (CDB) has been ongoing since the early 1990s, although initially it was mainly focussed on the ex-post evaluation of projects and Project Performance Audit Reports (PPARs).

However, in 2011, CDB reviewed its evaluation system to bring it up to date with the good practices of international development organisations - including the Multilateral Development Bank (MDB) Evaluation Cooperation Group (ECG). In December that year, it produced its comprehensive Evaluation Policy (December 2011) setting out the aim and objectives and guiding principles for CDB's evaluation system.

The Policy provides for the establishment of the Office of Independent Evaluation (OIE). Its main objective is to provide "CDB's Board of Directors, President, Advisory Management Team, CDB staff and other stakeholders and partners with timely, credible and evidence-based information on the relevance and performance of CDB's projects, programs, policies and other development activities." (Evaluation Policy, 2011, p. 1).

To oversee and assess good practice, the ECG for MDBs recommends that the MDBs' evaluation system and independent evaluation units be the subject of a review on a regular basis. The aim here is to help the institutions adopt recognised evaluation standards and practices so that its policies may benefit from independent evidence-based assessments.

A peer review had been scheduled in earlier OIE work programmes. Similarly, it had been recommended in the Evaluation and Oversight Division's (EOV) review that culminated in the formal establishment of OIE. In mid-2014, with the appointment of a new Head of OIE, and following an initial learning period, OIE's review was programmed for 2015. Even though OIE had only been in existence since 2012, it was considered timely to take stock of what had been done so far in order to tease out the priorities for the next three to four years.

It was originally anticipated that such a review could be done by the ECG as part of OIE's application for ECG membership. This did not prove possible, since CDB's scale of lending and size of operation is considered too small for such membership. A review was therefore commissioned to independent experts in evaluation who have extensive knowledge and experience in the management of evaluation units.

Main Aim of this Review

This Review's main aim is to provide CDB's Board of Directors (BoD) with an independent assessment of OIE. The intention is to highlight the factors that help or challenge OIE's independence and performance in order to identify where improvements could be made. It is anticipated that an action plan will be drawn up on the basis of the Board's decision on how to address the recommendations put forward.

Report Structure

The Review starts with general background information about CDB and the setting up of an independent evaluation function. Part One also provides the main features of the Review, its methodology, scope and limitations. More details can be found in Appendix I. Part Two reports on the Review's findings with regard to the questions and relevant assessment criteria. The relevant conclusions and recommendations for each of the sections flow from the findings and are therefore also reported in Part

Two. The Panel's summary of key conclusions and recommendations for future work are the subject of Part Three.

The Panel is grateful for the freedom it was given to form its own opinions and to reach conclusions based on its analysis. The findings, conclusions and recommendations presented in this paper are those of the Review Panel members. The views of CDB are provided separately in the Management Response that accompanies this Report.

EXECUTIVE SUMMARY

1. In December 2011, the Caribbean Development Bank (CDB) agreed a comprehensive Evaluation Policy (December 2011) setting out the aim and objectives and guiding principles for CDB's evaluation system. The Policy provides for the establishment of the Office of Independent Evaluation (OIE).

2. In line with the Evaluation Cooperation Group's (ECG) good practice standards, in 2015 CDB's Oversight and Assurance Committee (OAC) endorsed an external review of CDB's OIE. The intention is to highlight the factors that help or hinder OIE's independence and performance in order to identify where improvements could be made.

3. CDB has also taken many, other important steps towards updating management practices in line with other multilateral development banks (MDBs). However, the introduction of several innovations in parallel requires coordination and a shift in working practices and thinking. There is also the need to engage in different types of evaluation; evaluations that take into account cross-cutting themes and different levels of complexity. As such, whilst this Review particularly focused on CDB's OIE, it recognises that OIE's work and utility depend to a large degree on the development of other management practices and the degree to which evaluation is able to effectively link into their work. As such, to a limited degree, the Review took into account OIE's linkage to other management practices.

4. A full description of the Review's mandate, approach, process and methods was provided in the Approach Paper (AP) agreed by OAC in December 2015. The Review was designed to address the following four key questions:

- (a) To what degree is OIE independent at the strategic, functional and operational levels? Which measures help or hinder such independence?
- (b) To what extent is OIE achieving its two strategic objectives? (which are (i) the timely delivery of good quality evaluations and Project Completion Report (PCR) Reviews; and (ii) strengthening capacity building, networking and communication). How useful are the OIE's procedures and products towards this end?
- (c) How adequate are the financial and human resources of OIE for carrying out its tasks and achieving its objectives?
- (d) How effective is OIE in relating with its internal partners to develop evaluation capacity?

5. The Review's analysis is largely based on the recommended criteria of the ECG for MDBs: *governance and independence, credibility, use and transparency*. These are internationally recognised standards and principles to which MDBs should aspire, irrespective of size.

6. The data used for analysing and interpreting the findings relied on semi structured interviews with OIE staff, as well as with CDB senior and middle managers, and members of its Board of Directors (BOD). The interview data was complemented by a review of a range of key documents including the Bank's Evaluation Policy, various kinds of reports on, or about evaluation, the complete set of minutes of meetings between OIE and OAC⁴ and the subsequent chairman's report to the Board for the study period 2012-15, OIE staff biographies as well as a number of other organisations' evaluation principles, good practices and

⁴ The Audit and Post Evaluation Committee, now OAC, is a Board Committee responsible for the oversight of evaluation and other key management functions.

standards. Not least, members of the Panel have also drawn on their own extensive knowledge and experience of evaluation management to complement data analysis and interpretation.

Conclusions

7. The Panel's main conclusions are presented with reference to the four questions set out in the Terms of Reference (TOR) and AP. The more detailed conclusions and subsequent recommendations to each of the key stakeholders - OAC, CDB and OIE – are set out in Part Two. The Panel should like to commend CDB for its efforts in supporting the establishment and independent functioning of OIE. Similarly, in spite of some of the challenges raised in this Review, the Panel would also like to compliment the current Head of OIE and his team for their efforts in moving the evaluation function in the right direction according to the UNEG Norms and Standards and ECG Guidelines on Good Practices.

On Governance and Independence

Governance issues

- (a) Governance, as outlined in CDB's Evaluation Policy, reflects internationally recognised evaluation principles and standards. For example, OIE reports to BOD through its OAC.
- (b) OAC is, however, struggling to meet its oversight responsibilities. For instance, the Panel considers that OAC is not acting with sufficient firmness to bring about change regarding the challenges evaluation raises or has to deal with; during its meetings, there is no systematic report on "follow up of actions agreed" for OAC to track changes as a consequence of an evaluation and management's response.
- (c) CDB's Evaluation Policy tends to be overambitious given the limited resources for evaluation within CDB at present.

Recommendations

- (a) OAC should be enabled to, and play a stronger role in overseeing evaluation and the evaluation processes in CDB. For example, it should take a firmer stand with CDB with respect to improving on its timely reporting and responding to evaluations.

OIE's independence

8. OIE is organisationally independent in that it is separate from CDB management and reports directly to the BOD through OAC. Its independence is, however, challenged by three major issues:

- (a) Timely reporting of evaluations to OAC, for example, delays in obtaining up-to-date information, documentation or data and in receiving the relevant management response that should accompany the evaluation reports,
- (b) Limited transparency - few of the independent evaluations are available in the public domain on CDB's website. Equally, there are no self-evaluation reports or their validations posted on the website. Dissemination of most evaluation reports is limited to CDB, OAC, and BOD.

- (c) Current funding arrangements. OIE's annual administrative budget – as part of CDB's administrative budget – is inadequate to meet the various activities in which OIE should be engaged as outlined in CDB's Evaluation Policy. For example, current funding arrangements allow little flexibility for resourcing additional topics which are not included in the administrative budget, nor for a more strategic pipeline of evaluations in 'anticipation' of new policies and strategies under review. Timely' planning is also about the strategic 'timing' and 'commissioning' of evaluation in line with *emerging policy cycles*.

Notwithstanding, the Panel recognises that CDB has budgetary restrictions.

Recommendations

- (a) OIE's functional independence should be better secured through improvements in funding arrangements, measures to improve timely reporting to OAC and dissemination of reports to a wider group of stakeholders.
- (b) OAC should work with the BOD and CDB management to ensure a viable OIE budget consistent with an approved and costed, medium term strategic plan. It should reflect the priorities of CDB's Strategic Plan and include a rolling and budgeted evaluation work programme. New areas of focus, such as renewable energy, environmental sustainability, and disaster risk mitigation should be included and costed as indeed should there be scope for a more strategic pipeline of evaluations in anticipation of emerging policies and strategies.
- (c) The call upon additional, extraordinary funding sources should be minimised as this impinges on the OIE's independence e.g. in the choice of its evaluation topics and cross-cutting themes, and being overly dependent on such sources.
- (d) OAC and CDB would do well to reflect on expectations compared with the capacity of the evaluation function within the CDB context. The Evaluation Policy should be reviewed and may need to be modified to better reflect the reality of CDB context and resources.

On strengthening evaluation processes and products to improve use

Processes

- (a) During 2015, OIE has been able to deliver some of its *independent evaluation reports* to OAC in a *timelier* manner. However, the Panel finds that as a general rule, the processes in place for reviewing report drafts are overcomplicated and inefficient. As such, the processes themselves are challenging OIE's independence as they have been shown to inhibit timely reporting.
- (b) The timely delivery of the PCR Reviews (validations) remains a challenge and there is an accumulating backlog.
- (c) There is no systematic record keeping system in place within CDB to track lessons learned or the uptake of recommendations (or actions agreed by OAC or CDB management). In short, the knowledge management system is underdeveloped.

- (d) The Evaluation Policy specifies the need for OIE to perform knowledge brokerage - “distilling evaluation findings and lessons learned in appropriate formats for targeted audiences both within and outside the CDB” (p.19). Such a targeted communication strategy is, as yet, underdeveloped.
- (e) An established Quality Assurance Unit is lacking in CDB. The lack of such a unit, distinct from OIE, is a weakness that is recognised but has not been adequately resolved.

Recommendations

- (a) The process for reviewing draft versions of evaluation reports and finalising the management response should be made more efficient as a matter of urgency.
- (b) CDB should simplify the self-evaluation process to encourage timelier reporting.
- (c) Processes should be put in place to manage the knowledge gained and lessons drawn from evaluations.
- (d) OIE should develop its knowledge brokerage function: getting the relevant messages from evaluations to the “right” groups of stakeholders and in an attractive format would increase the utilisation of evaluation.
- (e) Using Evaluation Advisory or Consultative Groups to accompany OIE’s high-level OIE independent evaluations would greatly enhance their usefulness and improve learning. This would help engage key members in the evaluation process (enhancing understanding) and add value to evaluations. In turn, evaluators could equally benefit from the Groups’ expertise, insight and networks.
- (f) CDB’s senior management should establish a Quality Assurance System in the Operations Department as a priority. It should cover all stages from quality at entry, to supervision and through to completion. This would help strengthen operations, monitoring and evaluation (M&E) and, in turn, assure a better basis for OIE’s independent evaluations.

Product quality

- (a) The Panel considers that in the main, the OIE’s independent reports are well structured and evidence-based. Their quality is variable; in part due to the limited availability of rigorous data, particularly in the BMCs, as well as to many types of delays.
- (b) The depth and detail of the PCR Reviews (validation reports) make them rich, but also difficult to read.
- (c) The OIE’s time commitment to validation reports is disproportionate in relation to its other tasks. This is partly due to the sometimes-lengthy exchanges between the OIE and Operations area to agree on them.

Recommendations

- (a) CDB management should reinforce current efforts to resolve poor documentation and data issues.
- (b) OIE should strive to improve the quality and readability of its evaluation products, credibly linking evaluation findings with conclusions and recommendations.

On promoting a conducive environment for improving evaluation use

9. OIE has adopted a ‘utilisation-focused’ approach emphasising the learning function of evaluation and the need to share knowledge and experience. This strategy is in keeping with OAC’s priority for OIE. CDB itself, as with all other MDBs, is searching for better ways to meet the complexities of development. Hence there is an interest in learning and sharing knowledge about what works. This implies balancing accountability and learning; making sure they are not seen as opposites, but as compatible and complimentary objectives. This greater emphasis on learning in the development field suggests a need for openness to the constructive criticism that evaluation can offer.

- (a) The Panel is of the opinion that, although CDB has been engaged with evaluation for more than two decades⁵, learning and evaluation culture within CDB is weak. This is attributable to a number of factors, mainly that:
 - (i) there is the very real problem of time restrictions and workload, which is a basic constraint to learning,
 - (ii) criticism is not necessarily perceived by operations staff as an opportunity for learning and improvement; some even see evaluation more as a bureaucratic control mechanism to support *accountability*.

Recommendations

- (a) CDB senior management should strengthen its leadership role in building and learning from an evaluation culture. It should ensure that there are timely management responses to draft evaluation reports as well as enable OIE’s timely submission of evaluation reports to OAC.
- (b) OIE should continue its work with CDB management and staff on promoting a better understanding of, and support for evaluation in CDB. OIE should strengthen its knowledge broker and critical friend roles, ensuring stronger links between independent and self-evaluation, seeing that lessons from evaluation are communicated widely and that evaluation capacity in CDB is enhanced. OIE with CDB management should put in place a system for tracking actions taken in response to evaluation recommendations and the lessons drawn.

⁵ An evaluation function was already in existence within CDB from the 1990s: OIE is a more recent development.

PART ONE: INTRODUCTION AND BACKGROUND

CARIBBEAN DEVELOPMENT BANK BACKGROUND

1.01 In order to understand the development of OIE's work, a brief description of CDB's current reforms is needed. First, there has been a change over the last decade in the nature of the programmes the bank supports; for example, it has become increasingly engaged in funding policy-based operations (PBOs), supporting poverty reduction strategies and investment in social infrastructure. Gender and environment, including climate change, disaster risk management and sustainability have also been taken on board. Second, there have been changes in the whole of the development field, which is grappling to deal with increasingly complex social and economic issues. To meet today's challenges and ensure that its work practices reflect the international standards of MDBs, CDB has introduced a number of measures aimed at improving its effectiveness and efficiency. For example, in line with international standards for Management for Development Results, it has introduced a Results-Based Management Framework for organising and assessing its performance.

1.02 In 2011, CDB commissioned an external consultancy to undertake an assessment of its evaluation function in order to develop a policy that took account of good practices within the international development community.⁶ CDB's Evaluation Policy (referred to hereafter as the Policy) is a direct response to that review; it reflects the standards and good practices of the ECG MDBs, as well as the evaluation principles and standards of the OECD/DAC and many professional associations.

1.03 Similarly, the Bank showed its commitment to having evaluation as a core function by establishing an independent evaluation unit that is responsible for assessing the Bank's activities and interventions, but especially for drawing out the key lessons and recommendations for improving the Bank's performance. As such, the monitoring tasks formerly under the responsibility of the Evaluation and Oversight Division (EOV) were handed over to the Bank's operations area. OIE, however, continues to validate the credibility, plausibility and rigour of the self-evaluations (PCRs).

1.04 In addition to OIE, the Bank has other independent functions including the Internal Audit Division, the Offices of Risk Management and of Integrity, Compliance and Accountability. The mainstreaming of three cross-cutting themes (gender, energy and climate issues) into CDB's work has also been initiated. At the same time, as with other MDBs, the CDB budget is based upon zero real growth and funds are limited.

1.05 In short, in addition to establishing an independent evaluation unit, the bank has taken many important steps towards bringing CDB's management and governance practices in line with those of other MDBs.

THE REVIEW IN BRIEF

1.06 A full description of the Review's mandate, approach, process and methods are provided in Appendix I. The Review was designed to address the following four key questions:

- (a) To what degree is OIE independent at the strategic, functional and operational levels? Which measures help or hinder such independence?
- (b) To what extent is OIE achieving its two strategic objectives? (which are (i) the timely delivery of good quality evaluations and PCR Validations; and (ii) strengthening capacity

⁶ **Oswaldo Feinstein & Patrick G. Grasso, Consultants, May 2011** *Consultancy to Review the Independence of the Evaluation and Oversight Division of the Caribbean Development Bank*

building, networking and communication) How useful are the OIE's procedures and products towards this end?

- (c) How adequate are the financial and human resources of OIE for carrying out its tasks and achieving its objectives?
- (d) How effective is OIE in working with its internal partners to develop evaluation capacity?

1.07 The Review's analysis is largely based on the recommended criteria of the ECG for MDBs; *governance and independence, credibility, use and transparency.*

1.08 The data used for analysing and interpreting the findings relied on semi structured interviews and focus groups with OIE staff, as well as with CDB senior and middle managers and members of its BOD. While much of the interview data was collected during a 10-day intensive, on-site visit to the Bank, the majority of Board members' interviews were conducted through Skype. The interview data was complemented by a review of a range of key documents including the Bank's Evaluation Policy, various kinds of reports on, or about evaluation, the complete set of minutes of meetings between OIE and OAC⁷ and the subsequent chairman's report to the Board for the study period 2012-15, OIE staff biographies as well as a number of other organisations' evaluation principles, good practices and standards. A full list can be found in the Appendices (Appendix V). Not least, members of the Panel have also drawn on their own extensive knowledge and experience of evaluation management to complement data analysis and interpretation.

SCOPE AND LIMITATIONS

1.09 The Reviewers were asked to conduct a study of the four-year period 2012-15, since the establishment of OIE, particularly on the changes introduced since the new Head of OIE was appointed (June 2014 to December 2015)⁸. It has mainly focussed on the strategic role of OIE within CDB, as well as its functional and operational roles and responsibilities.

1.10 The Review Panel also considered the relationship between evaluation and other management practices. In view of several important management innovations introduced in parallel by CDB over the past few years, their coordination and linkage with evaluation would be needed. There would also be the need to engage in different types of evaluation; evaluations that take into account cross-cutting themes and different levels of complexity. As such, while this review is particularly focussed on OIE, it recognises that OIE's work and utility depend to a large degree on the development of other management practices and the degree to which evaluation is able to link into their work.

1.11 The study was planned as a review, rather than a comprehensive evaluation, in view of the limited time and resources available for the exercise. This approach is also in keeping with the United Nation's (UN) 2011 Framework for the Peer Review of the Evaluation Functions in UN agencies, and with the spirit of the OIE's TOR. Therefore, the Review did not undertake any in-depth analysis of documents or consult with country level stakeholders or other external sources of expertise. Moreover, of the 29 people identified for interview, despite several reminders (by email or telephone), the Panel were unable to either contact or secure the agreement to participate of 5 of the selected 14 Board of Directors members, and 1

⁷ APEC, now the OAC, is a Board Committee responsible for the oversight of evaluation and other key management functions.

⁸ During the first two years, the OIE was largely occupied with completing tasks inherited from the EOVI, particularly in the absence of a dedicated entity to support the quality and assessment tasks of interventions in the operations area. The Review was therefore asked to focus more particularly on the period 2014- 15 since only then could the OIE focus on implementing CDB's newly agreed Evaluation Policy.

CDB senior manager. In light of this experience, as well as the time invested in securing the interviews “at a distance”, the planned on-line survey to follow-up on face-to-face interview data was abandoned.

1.12 Similarly, the Panel regrets that in the time available, full justice could not be done to all the material provided by OIE. Nevertheless, the documentary review and interviews focussed on addressing the key questions, and we are therefore confident that the main issues raised in the TOR are addressed in this report.

1.13 In their original Approach Paper, first reviewed by OIE on December 02, 2015, the external Reviewers proposed that they would report their findings in a first draft to the following persons/groups in the following order:

- (a) The Head of OIE and staff;
- (b) Members of OAC;
- (c) CDB Senior Management.

1.14 Each would be asked in turn, to comment on the report and, where necessary, to correct any factual errors. Thereafter it was planned to present and discuss the tentative findings and recommendations with OAC and CDB Senior Management at the OAC meeting in May 2016 before completing the final version.

1.15 The logic is as follows: the Panel was asked to review a *unit* which reports directly to the Board via OAC. It is not therefore, an evaluation of an intervention, but the review of an independent unit with functional oversight provided by OAC. The Panel considers that the nature of the Review is therefore different from the ordinary evaluation activities outlined in CDB’s Evaluation Policy.

1.16 In the AP presented by OIE to the Board at its 76th meeting in December 2015, the Reviewers’ original sections on governance and reporting were changed by CDB to reverse the sequence and order of reporting between CDB Senior Management and Members of OAC, in the following order:

- (a) The Head of OIE and staff;
- (b) CDB Senior Management;
- (c) Members of OAC.

1.17 CDB’s rationale was to ensure that the sequence of reporting was consistent with the provisions of the Evaluation Policy, including the specific roles and responsibilities of the Advisory Management Team and the President of CDB under these Policy provisions.

1.18 Unfortunately, in the time between the OAC meeting in December 2015 and the Lead Reviewer’s field visit to Barbados in January 2016, these changes were not shared with the Review Panel. In fact, the Reviewers were unaware of such changes until November 2016.

1.19 This meant that in the event, the Panel was given no opportunity for any formal contact with OAC either to present the Review Approach, or discuss work in progress and/or a first version of the report. This was most unfortunate and in contradiction to the spirit of the Panel’s Review Approach.

1.20 Finally, there have been substantial delays in delivering this report for a number of reasons; the sequence is as follows:

- (a) The period for data collection was from December 2016 to March 2016.
- (b) A first draft of the report was submitted to OIE and CDB management in April 2016, and a second (following OIE written feedback and verbal comments from management received from the Head of the OIE via Skype) in June 2016.
- (c) A Skype discussion between CDB senior managers and all members of the Review Panel was delayed until November 2016 due to a number of unforeseen circumstances.
- (d) Written feedback from CDB senior management was finally received during the last week of January 2017.
- (e) Wherever possible, this report has taken into account OIE's and CDB management's comments.

PART TWO: WHAT THE REVIEW FOUND

OVERVIEW

2.01 The Panel should like to commend CDB for its efforts in supporting the establishment and independent functioning of the OIE. Similarly, in spite of some of the challenges raised in this Review, the Panel would also like to compliment the current Head of OIE and his team for their efforts in moving the evaluation function in the right direction according to the UNEG Norms and Standards and ECG Guidelines on Good Practices.

2.02 In this part of the report, we shall present our findings in relation to each of the questions set out in the TOR and AP and according to the relevant criteria used to assess and respond to them. At the end of each section the Panel shall also draw specific conclusions and recommendations for improvements.

2.03 The questions and criteria are as follows:

(a) *Question 1. To what degree is OIE independent at the strategic, functional and operational levels? Which measures help or hinder such independence?*

- adequacy of the evaluation policy and governance to assure OIE's independence
- adequacy of provisions to assure OIE's independence

(b) *Question 2. To what extent is OIE achieving its two strategic objectives? (i) the timely delivery of good quality evaluations and PCR Reviews; and (ii) strengthening capacity building, networking and communication. How useful are OIE's procedures and products towards this end?*

“Timely delivery”, “Good quality” and Communication

- usefulness of evaluation,
- effective evaluation use
- transparency and effective communication of evaluation results

Capacity building and networking

- strengthening capacity building and networking
- appropriateness of OIE strategy, and work programme

(c) *Question 3. How adequate are the financial and human resources of OIE for carrying out its tasks and achieving its objectives?*

- adequacy of resource provisions and budgeting procedures

(d) *Question 4. How effective is OIE in relating with its internal partners to develop evaluation capacity?*

- quality of working relationship between self and independent evaluation.

ADEQUACY OF PROVISIONS FOR ASSURING OIE'S INDEPENDENCE

2.04 The Review considered the data according to the adequacy of the evaluation policy, governance and independence provisions.

The Evaluation Policy

2.05 The CDB Board agreed to an Evaluation Policy (the Policy) in December 2011. The Policy sets out the guiding principles and provisions for OIE. It also aims at guaranteeing the independent functioning of OIE by having it report to the BOD through OAC. However, the President retains oversight on administrative matters such as travel, human resource (HR) matters, and – in some cases – the engagement of consultants.

2.06 Generally speaking, the Policy reflects many of the ECG's recommendations on evaluation independence and good practices. Similarly, the evaluation criteria for assessing performance are the five developed by the DAC that is: Relevance, Effectiveness, Efficiency, Impact and Sustainability. In general, the Policy is intended to maximise the strategic value, timeliness and learning aspect of evaluation.

2.07 However, several important tasks outlined in the Policy have not yet been undertaken by either OAC or OIE such as:

- (a) OAC has yet to produce an annual report on OIE's performance; and
- (b) OIE has yet to establish a database of evaluation lessons, recommendations, actions and management responses.

2.08 Moreover, in view of the current budget limitations, OIE is unable to engage in the full range of evaluation types set out in the Policy. Therefore, while the Policy is considered useful as a reference for OIE, senior CDB staff and OAC, in reality, it provides a framework for what could be achieved under *optimal* conditions. It is however overambitious in terms of what can be done with the current level of resources.

Conclusion

2.09 *CDB's Evaluation Policy is a mission statement of what could be achieved in time with sufficient financial and human resourcing. It reflects the internationally recognised evaluation principles and standards, but is somewhat ambitious for the OIE given current resourcing.*

Recommendation

To OAC

2.10 After several "teething years", OAC should be clearer about its expectations of OIE and at the same time, about what is feasible for the evaluation function within the CDB context. At this stage the Policy should be reviewed and modified to better reflect the reality.

Governance Issues

2.11 Oversight of OIE is entrusted to a committee of BOD, which was originally called the Audit and Post-Evaluation Committee (APEC) and now OAC to reflect its broadened mandate since October 2015. OIE therefore reports indirectly to the Board through OAC. There are five members, of whom only two are resident in Barbados.

2.12 The OAC meets five times per year, the day before Board meetings. Since December 2015, it has been responsible for a total of four oversight functions in relation to CDB's work.

2.13 These broadened responsibilities mean that there are many competing entities trying to secure OAC's attention. In response, there is now provision for OAC to call on consultants for help and support. Similarly, as is normal practice for all independent oversight functions, the Head of OIE can now meet once per year with members exclusively on evaluation issues in an executive session.

2.14 At each Board meeting, in response to requests for a reduction in the volume of documents presented to the Board, the Chairperson presents a very brief resume of the previous day's OAC meeting to the full Board for its approval. The report generally covers progress, shortcomings and risks but is only a short segment of the Board meeting so that generally there is little discussion; evaluation is only one of many items on the agenda. The Panel was told that OAC's report to the Board averages approximately 10 minutes. Some of the interviewees could not recall any discussion about evaluation during Board meetings or remember reference being made to any evaluation report. Documents submitted to OAC are currently not uploaded to the Board portal and hence not easily accessible to other BOD members.

2.15 During interviews, OAC (and other Board) members expressed keen interest in having rigorous evaluations and were satisfied with OIE's methodological approach. They perceived OIE to be a credible entity. OAC particularly wants OIE's learning function emphasised and are keen on having important lessons about CDB interventions drawn out. Hitherto, members felt that there has been too much emphasis on OIE's accountability function.

2.16 Yet, the Panel learned that despite OAC's awareness of the data problems in CDB and the BMCs (e.g. lack of rigorous monitoring and statistical data and the consequent effect on the rigour of OIE's evaluations) the Committee's reaction appears to have been negligible. The lack of existing data, both from within CDB and from BMCs means that often, more time is needed than planned in order to devise and implement an alternative methodological approach. Consequently, there have been delays in delivering reports "on time" to OAC. The Panel could find no evidence to show that OAC has specifically reported these challenges to the Board or that actions have been taken in an attempt to improve the situation.

2.17 Similarly, OIE has informed OAC about the delays in the submission of self-evaluations (PCRs) and their validations on several occasions. However, OAC does not appear to have followed-up on this issue.

2.18 A major problem for OAC is the volume of paperwork and length of individual documents it receives in parallel from CDB and its independent offices, generally very shortly ahead of its meetings. Both Board and OAC members expressed their deep concern about the need for timelier delivery of reports and background papers for their meetings. OAC members are concerned they are unable to do justice to their oversight responsibilities. It is not clear why OAC has not been more outspoken on the issue. Hence, based on the Panel's review of the minutes and comments from OIE, the meetings appear to be more formalistic, with OIE's presentation of highlights from evaluation reports and management's response, but little evidence to suggest that there is much discussion or systematic follow up on the recommendations, agreed actions or the lessons drawn. Though "matters arising from previous minutes" are responded to, the "follow up on actions agreed" does not appear to be a systematic item on each OAC meeting's agenda.⁹

⁹ At the APEC meeting in May 2012, it was agreed that OIE would prepare a Management Action Record to highlight the follow-up actions taken to the recommendations of all evaluation reports, every two years, with the first report presented to APEC at the March 2013 Board Meeting. There is no record of this having ever been done or of the APEC/OAC's following up on such request.

Conclusions

2.19 On methodological issues

- (c) OAC firmly supports having an independent evaluation function that produces rigorous evaluations.
- (d) OAC considers that OIE is a credible entity and is satisfied with its methodological approach to evaluation.

2.20 On process and procedures

- (f) It attaches much importance to evaluation's ability to highlight key lessons.
- (g) However, OAC is not performing its oversight function with sufficient firmness to bring about any change regarding the challenges evaluation raises or has to deal with. This is not helped by the lack of any systematic report on "follow up of actions agreed" which could be particularly useful for tracking changes as a consequence of an evaluation and management's response.
- (h) OAC could do more justice to its oversight responsibly if it were to receive all background documents systematically at least two weeks before its meetings. Moreover, the volume and length of documents received at any one time is considered to be overwhelming.
- (i) The number and/or importance of agenda items competing for attention at any one session is an additional handicap.
- (j) OAC's TOR includes a meeting between OAC and Head of OIE "in executive session at least annually" (9.3 (e) (ix)). The Panel welcomes this as progressing evaluation at CDB towards UNEG Good Practices.

Recommendations

2.21 To OAC

- (a) OAC should take a firmer stand vis-à-vis CDB and the BMCs in getting them to address the problems causing delays to reporting evaluations, whether related to CDB internal issues, to the paucity and/or lack of data available in the BMCs for its evaluation activities, or the scheduling of, for example, country visits.
- (b) The BMC representatives in OAC/on the Board should use their role as "ambassadors to the Bank" and leadership position to champion M&E in their respective Ministries and Governments to convey and demonstrate the utility of evaluation in enhancing their own results, transparency and credibility.
- (c) Equally, OAC should be more systematic in following up on how evaluation findings/actions agreed from evaluations or management responses are being dealt with.

2.22 To CDB

- (a) The CDB secretariat should ensure that all documents are systematically received by OAC at least two weeks before each meeting.
- (b) There should be an item “follow-up on agreed actions arising from evaluation reports/ activities” which should systematically figure on the OAC meeting agenda.

2.23 To OIE

- (a) OIE should ensure that its reports and documents are “reader-friendly”. They should also include a briefing document to focus the discussion (e.g. making clear what the key issues for discussion / decisions / follow-up actions are). The recent Evaluation Briefs are an improvement but should have a sharper focus on the strategic issues to be discussed and what actions, if any, need to be taken.
- (b) Additionally, OIE should be tasked with providing a tool or template in which all agreed recommendations are entered, tracked, and validated on completion. Reports to OAC can then be based on this.

Independence of the Office of Independent Evaluation

2.24 Independence is central to the integrity, credibility and trustworthiness of evaluation. It is an agreed requirement within the development agencies and in the evaluation community as a whole. In examining the issue of independence and good practice, Reviewers are guided by ECG’s recommendations on good practices, CDB’s Evaluation Policy and by the 2011 external Review of independence relative to CDB’s former EOVS Division¹⁰. The appraisal is based on a comparison of ECG’s recommendations on independence¹¹ and the current OIE status. These recommendations are internationally recognised as applicable to all evaluation units within MDBs, irrespective of size.

Recommendations from the ECG on independence

2.25 The ECG considers the issue of independence according to four specific criteria: organisational (or structural) independence; behavioural (or functional) independence; protection from outside interference (or operational independence); and protection against staff conflict of interests.

- (a) ***Organisational independence***; ensures that the evaluation unit and staff are protected against any influence or control by senior or line management, and have unrestricted access to all documents and information sources needed for conducting their evaluations. Also, that the scope of evaluations selected can cover all relevant aspects of their institution.
- (b) ***Functional independence***¹²; generally refers to the evaluation unit’s autonomy in

¹⁰ **Oswaldo Feinstein & Patrick G. Grasso, Consultants, May 2011** *Consultancy to Review the Independence of the Evaluation and Oversight Division of the Caribbean Development Bank*

¹¹ **ECG 2014** *Evaluation Good Practice Standards, Template for Assessing the Independence of Evaluation Organizations*, Annexe II.1 <https://www.ecgnet.org/.../annex-ii1-template-assessing-independence-evaluation-orga...> March, 2014

¹² The ECG use the term « behavioural » however the Panel prefers the use of the term « Functional » which is therefore used hereafter in our Review.

selecting, conducting and setting its work programme and in producing quality reports which can be delivered without management interference.

- (c) ***Protection from outside interference;*** refers to the extent to which the evaluation function is autonomous in setting its priorities, conducting its studies and processes, in reaching its judgments, and in managing its human and budget resources without management interference.
- (d) ***Conflict of interest safeguard;*** refers to protection against staff conflict of interests be they current, immediate, future or prior professional and personal relationships and considerations or financial interests for which there should be provision in the institution's HR policies.

Assessment of OIE's Independence

2.26 A comparison of ECG recommendations with OIE practice is presented in Appendix II (Table 1, organisational independence, Table 2, functional independence, and Table 3, protection from external influence or interference.) This section summarises the Panel's assessment of each of these three aspects.

Organisational Independence

2.27 CDB has succeeded in establishing an independent, dedicated office that has direct dialogue with OAC, the Board and senior management. However, there appears to be a detachment between OIE and CDB that is of concern to the Panel.

2.28 In agreeing for OIE to concentrate on developing strategic, thematic, in-depth evaluations, a dedicated "home" in the operations area for project M&E does not appear to have been clearly defined. With OIE no longer systematically involved at the front-end of individual project designs to ensure strong results frameworks and monitoring data, needs for collection of evaluative information are likely to be weakly defined.

2.29 There is a degree of collaboration on an informal basis between OIE and Operations staff with OIE advising on M&E, results-based management, log frames and indicators but it is not systematic and there are also capacity constraints in terms of OIE's resources (time and human). The absence of a formal 'home' for self-evaluation and capacity development for M&E means that OIE is often the first point of call for a range of enquiries but more often than not, too late in the process – at Loans Committee stage. This does not mean that OIE no longer provides input at the front-end; however it is now focussed more on tools and systems that are being developed to support the MfDR framework. The monitoring data for projects and their implementation should be improved once the new Portfolio Performance Management System (PPMS) is implemented and operationalised (which includes the Performance Assessment System).

Functional Independence

2.30 The Panel has some concerns about functional independence issues. There are considerable delays incurred in processing both the independent evaluation reports, as well as OIE's validation of CDB's PCRs. Such delays are generally due to the extensive process for receiving feedback; first with comments from the relevant operations department, then from the Advisory Management Team (AMT), and then from providing OIE with a management response that is initially drafted by operations staff before being reviewed by AMT.

2.31 OIE's independent evaluations are submitted to OAC together with the relevant management response, which is standard procedure for all evaluation reporting. However, often the time taken by management to consider the evaluation and prepare its response is too long. This may well undermine evaluation's independence by causing delays to OIE's timely reporting to OAC. In terms of transparency, few of the independent evaluation reports are publically available e.g. on the website. This may be due to delays in the implementation of the CDB Information Disclosure Policy.

2.32 OIE validations of self-evaluations (PCRs) are also submitted to OAC and go through a similar process for feedback and finalisation of a management response. While it is in both sides' interest to clear up any misunderstandings before proceeding to submission to OAC there is a need to improve the timeframe for completing these validations as delays are seemingly more the norm than the exception.

2.33 In early 2015, in an attempt to improve the timeframe for submissions to OAC, OIE proposed an OIE-CDB Protocol that set out the rules and deadlines for both parties regarding the interchange of evaluation and validation reports and the relevant management responses. The Protocol is based on the procedures and practices that already exist in other development banks e.g. the World Bank and Inter-American Development Bank. However, at the time of writing, a decision regarding the adoption of the Protocol was still pending.

Protection from external influence or interference

2.34 OIE's independence in the design, conduct and content of its evaluations as such does not appear to be subjected to any external interference. However, it can pose a problem in cases where OIE seeks extraordinary funding to support an independent evaluation. Securing funding from any source outside OIE's administrative budget can be a complex and long process. For example, funding from the Special Development Fund (SDF) has special rules attached and may affect OIE's choice with regard to the type of evaluations it can undertake, as well as the choice of evaluators (and consequently methodological approaches). (See Figures 1 and 2 later in this Review). As such the current funding arrangements for OIE may affect its autonomy of choice. (See more on this under the section on the adequacy of resources.)

Conclusions

- (a) The Reviewers agree with the measures CDB has taken to assure the *organisational independence* of OIE. The President, senior and line management alike accept its independent status. However, at the same time, the reorganisation has tended to leave the operations area with limited, formal M&E support. This aspect is dealt with in more detail in the section on the relationship between self and independent evaluation in response to Question 4.
- (b) Regarding *functional independence*, the timely delivery of OIE's reports can be (and have been in some cases) affected by the delays in the exchange of reports between the OIE and Operations. In terms of transparency, few evaluation reports are publically available, this may be due to delays in the implementation of the CDB Information Disclosure Policy. However it is an important consideration to be taken into account in developing an effective communication strategy. (This is discussed in more detail under section 2.2.2.)
- (c) *As for protection from outside interests*, the special conditions attached to funding from the alternative sources may affect OIE's autonomy.

To CDB and OIE

- (a) Some form of protocol on avoiding unnecessary delays in the exchange of reports / management responses between OIE and CDB should be agreed as a matter of urgency. Management must commit to providing a response within a limited timeframe (two to three weeks maximum is more the norm). Any delays should then be reported to OAC.

2.35 Recommendations on aspects of functional independence are further developed under the relevant sections later in this report. Recommendations on the relationship between self and independent evaluation are discussed separately in the final section of Part Two.

TIMELY REPORTING AND QUALITY EVALUATION PRODUCTS

2.36 A number of recognised criteria were used to analyse this part of the question. We also reviewed how evaluation results are being communicated and put to use. The Review then looked at the second OIE Strategic Objective, which concerns capacity building and networking. Only after reviewing these different elements separately could the Panel finally consider to what degree the OIE is achieving its strategic objectives.

Usefulness of Evaluation

2.37 Evaluation is a powerful tool that **can provide useful, evidence-based information** to help inform and influence policy and practice. But *useful evaluations* depend not only on the evaluators' skills, but on several other important factors as well:

- (a) *planning evaluations to be relevant* to the priorities of the organisation's work and for *their results to be delivered in time* to be useful;
- (b) the degree of *consultation and ultimately ownership* by those who seek evaluative information;
- (c) the *tools used* to support the evaluation process per se; and
- (d) the *credibility and quality of the evaluation products*¹³.

Planning relevant and timely evaluations

2.38 OIE is working on a three-year rolling work plan that sets out the broad areas for enquiry. So far, there are no agreed criteria for making the selection of the specific topics for independent evaluation, although the priorities tend to reflect those of CDB's strategic plan. Nevertheless decision-making is less systematic and formalised; it is based on a process of dialogue between OIE and CDB and OIE and OAC.

2.39 One of IE's two objectives for 2015 therefore, was to define a work plan and agree priorities based on an approach that is "utilisation-focused"¹⁴. This means that the studies are selected and planned to be relevant and useful to OAC and CDB needs.

2.40 OIE has achieved this objective with respect to its latest studies; the Evaluation of Technical and Vocational Education and Training (TVET) Evaluation, the SDF Multicycle 6&7 Evaluation. Both of these

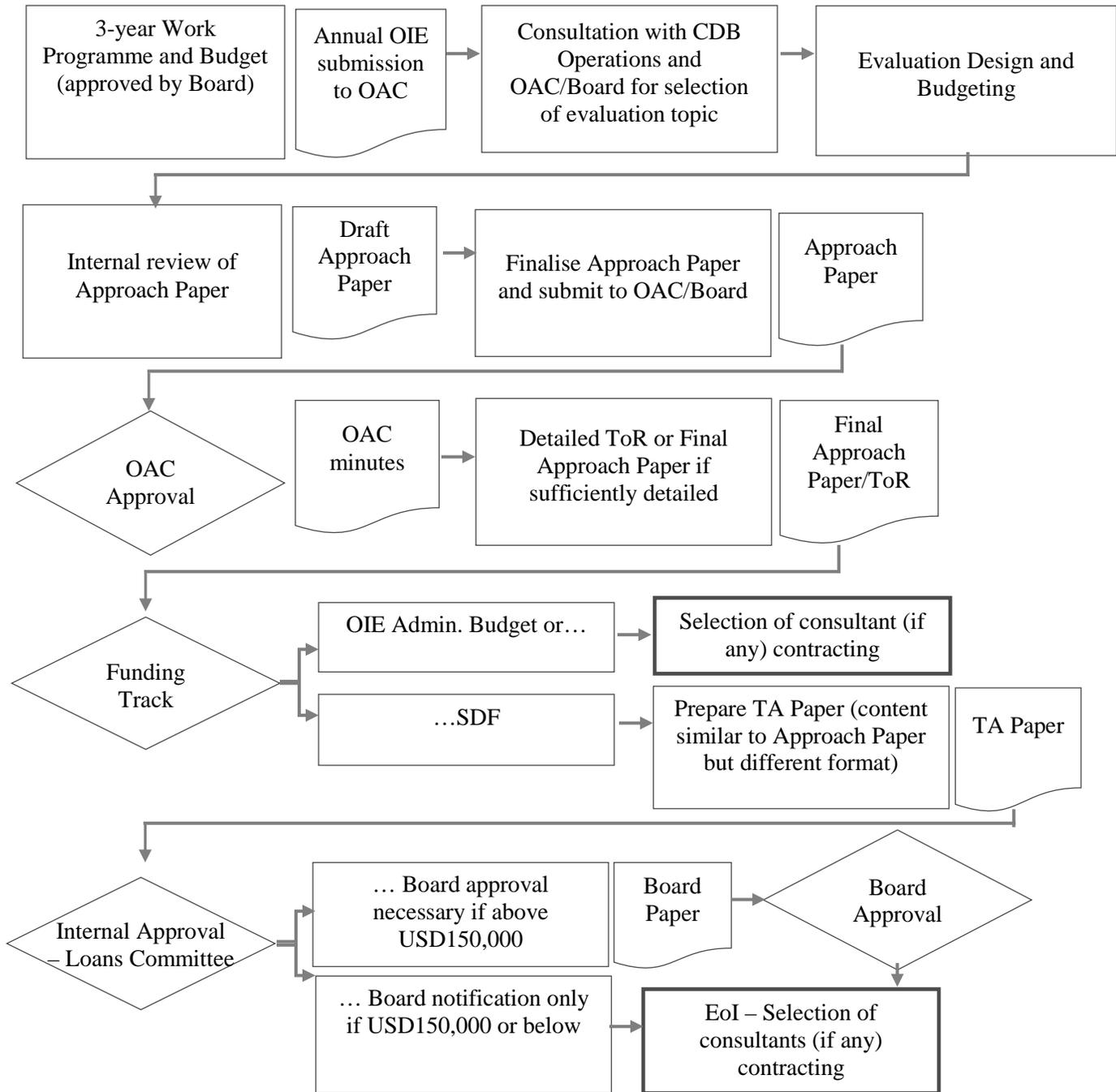
¹³ These aspects reflect the principles and good standards of the ECG and the Evaluation Community more generally.

¹⁴ See explanation in Michael Quinn Patton (2008) "Utilisation-focused Evaluation", 4th edition, Sage Publications.

were said to have been planned to deliver their results in time to provide the OAC and CDB with relevant information and – in case of SDF - for negotiating the next round of funding. The same applies to the evaluation of CDB's PBOs and the Haiti Country Strategy Programme Evaluation. However, both these latter evaluations experienced a number of significant delays and were not completed at the end of this Review's data collection period. (March 2016).

2.41 The processes for agreeing OIE's work plan and specific evaluations on the one hand, and in securing alternative funding on the other, are shown in Figure 1. The lengthy internal approval process is a challenge to the timeliness of OIE's reporting on studies to OAC. This is less problematic with regard to agreeing the individual studies in general, but in such cases where extraordinary funding is needed from other sources (e.g. the SDF). (See further on this in section 2.5.2 on the adequacy of financial resourcing.)

FIGURE 1: SELECTION OF EVALUATION TOPICS AND FUNDING SOURCE



2.42 Overall Conclusion: *With the latest independent evaluations, OIE is expected to achieve its 2015 objective of planning and delivering timely studies. But the process for securing approval and funding, particularly for studies requiring additional resources, is inefficient. The current funding arrangements also allow little flexibility for resourcing a more strategic pipeline of evaluations in ‘anticipation’ of new policies and strategies being reviewed. ‘Timely’ planning is also about the strategic ‘timing’ and ‘commissioning’ of evaluation in line with emerging policy cycles.*

Consultation and ownership

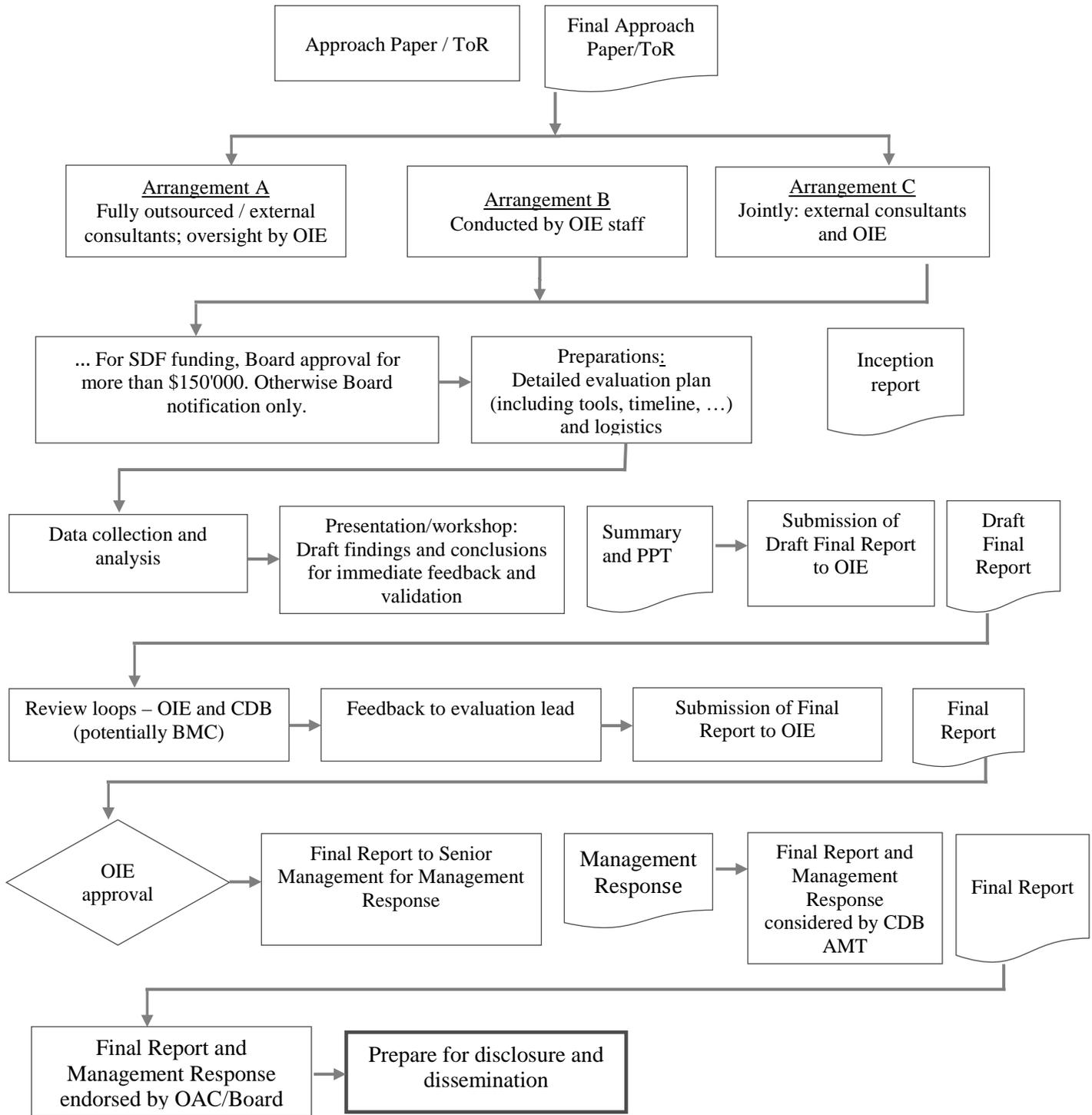
2.43 “The credibility of evaluations depends to some degree on whether and how the organisation’s approach to evaluation fosters partnership and helps build ownership and capacity in developing countries.” (ECG good practices)¹⁵

2.44 As previously mentioned, OIE consults with OAC, CDB senior and line management before finalising its three-year work plan and selecting the specific topics and themes. Ultimately the programme has to be approved by OAC. OIE also discusses each evaluation AP (design and implementation plan) with CDB and OAC before completing the final version. However, preliminary and final drafts of the report are only submitted to the CDB line and senior managers for comment and factual errors; the *final* versions are given over to OAC for endorsement. Discussions are held with CDB first and then with OAC on the evaluation results and their implications. Discussions with OAC are more limited due to the extensive and demanding agenda of OAC and Board meetings, as previously discussed.

2.45 Figure 2 provides an overview of the evaluation implementation and stakeholder engagement processes.

¹⁵ ECG (2012) “Big Book on Good Practice Standards”

FIGURE 2: EVALUATION STUDY IMPLEMENTATION AND FEEDBACK LOOPS



Notes to Figure 2

1. OIE informed the Panel that this is an abbreviated version as there are e.g. additional steps (secondary processes) when evaluations are put to tender, when there are additional review loops and updates to OAC etc.
2. OAC may also decide to return the report to OIE, the Panel were informed, or demand from Management specific actions based on the report.

2.47 This process is engaging and appears to have secured senior management and OAC interest and buy-in, as witnessed in the latest studies. But there is a downside too! The process takes much time and, in our view, is partly unnecessary. The Panel appreciates that staff from Operations, as well as AMT, may both want to confer on an appropriate management response. However the part of the process that is mainly checking for factual errors should not require such high-level consultation as well, and could be more expeditiously completed at the division level. Taking first fact checking and then management response as a two-phase approach with high-level approval each time seems somewhat inefficient and unnecessary in our opinion. Moreover, as mentioned previously in the section on functional independence, the delays challenge OIE's independence as the process hinders its timely reporting to OAC.

2.48 Contact between OIE, CDB and/or OAC during the actual study implementation is most often restricted to the occasional progress report, particularly when studies run behind time. Occasionally, however, OIE has arranged for discussions with Operations to reflect on emerging findings, but we are not sure how systematically this feedback loop is applied.

2.49 More generally speaking, outside of an evaluation study, OIE has limited dealings with Operations. OIE has an advisory role in providing training, guidelines and tools to support self-evaluations.

2.50 It is fair to say that there were mixed reactions from staff at different levels in Operations. Some were critical, while others had a much more open attitude to evaluation and appreciation of its potential value. For example, we learned that OIE was recently invited by a senior manager to share evaluative knowledge and experience with his staff regarding PBOs.

2.51 The Panel is nevertheless concerned about the seeming 'distance' between Operations and OIE and how this has affected the perceived value of evaluation. For further reflexion on this point, please see the section below on "Self- and Independent Evaluations"

2.52 *Overall Conclusion: The key stakeholders within CDB are increasingly integrated into the processes for agreeing evaluation topics, design, and reports. But there is no systematic provision for engaging stakeholders in the evaluation process throughout. Thus, sustained stakeholder engagement is likely to be weakened and there could well be missed opportunities for offering solutions to any challenges encountered during an evaluation. The Panel considers the process of reviewing draft reports as overcomplicated and inefficient. Similarly, the process is also complex and lengthy when seeking additional funds from sources outside the approved administrative budget.*

Tools to support the evaluation process

2.53 So far, OIE has mainly focussed on improving the tools to support Operations and its self-evaluations. This has left the OIE with little time to produce the checklists or tools to support its own studies. But there are plans to develop an OIE Manual for guiding its independent evaluation processes in the near future.

2.54 In the meantime, OIE draws on 'good practices' from a range of sources including MDBs and bilateral donors to inform its practices. Operations staff refer to the Performance Assessment System (PAS) for completing their reports on public sector investment, lending and technical assistance, policy-based loans (PBLs) and country strategy programmes. These manuals are based on DAC criteria and ECG principles. Much emphasis is given to the rating system and how and what should be rated. However, the Panel finds them lengthy, unwieldy and overcomplicated. Moreover, such manuals should be used for reference, but cannot, and should not replace first-hand training in how to plan, conduct and manage the evaluation process.

2.55 In terms of quality processes, OIE has done much to reach out and engage key stakeholders in agreeing evaluation topics, and design and to discuss (albeit mainly within CDB) the study results. The systematic engagement of stakeholders throughout the evaluation process has not however, so far become the norm. Having an ‘Evaluation Advisory or Consultative Group’ established from the outset to follow the progress of the individual evaluations during their cycle has been shown to improve ‘ownership’ and ‘engagement’ and enhance the use and value of evaluation more generally. Such groups generally include not only internal but external stakeholders as well.¹⁶

Quality Assessment and Quality at Entry

2.56 There was a transition period between 2012 and 2014 to establish OIE. Work on the PAS, Quality at Entry (Q@E), PCRs and the Annual Review of Project Performance, which had started earlier, was therefore completed after OIE came into existence and were effectively without a formal ‘home’. The Panel was told that there had been some discussions about creating a Quality Assurance Unit within CDB (OPS) but the current status is unclear.

2.57 The Q@E Guidance Questionnaire was developed before and completed by OIE. It was used to assess the documents that came across to OIE for comments at different review stages. The results were then sent to the Portfolio Manager/Project Coordinator indicating any gaps/issues that needed to be addressed or clarified. Q@E Guidance Questionnaires were developed for all the Bank’s lending products, Country Strategy Papers and to assess the quality of supervision.

2.58 After the Q@E was launched bank wide, several operations officers saw the merit in using the Q@E Guidance Questionnaire in the field and adopted it as a tool for use during the appraisal mission in order to cross check and test their data collection and analysis.

2.59 The use of the Q@E by OIE was discontinued in 2014 due to limited resources and a stronger focus on evaluations. OIE still sometimes comments on specific appraisals, but very selectively.

2.60 Both Q@E and Quality at Supervision (Q@S) are also addressed in the PAS Manuals. In addition, the Q@E and PAS have been incorporated in Volume 2 of the Operations Manual.

2.61 The Reviewers assessed the Q@E forms. They are relatively standard, though adapted to the specificities of CDB. They contribute to judging a project’s expected quality in a relatively objective way. As such, they are helpful, as a benchmark, in the ex-post assessment of projects.

2.62 *Overall conclusion: The Panel considers that, in principle, there are adequate tools for supporting the self-evaluations and their validation. But the manuals are not “user-friendly” and rating scales and their use are overemphasised. The process for developing and managing the independent evaluation process is not documented. OIE draws on the standard approaches and practices of other relevant organisations e.g. the MDBs and UN agencies as well as some of the bilateral donors, but does not have its own Manual to standardise and harmonise procedures and practices. The lack of an established Quality Assurance Unit in CDB that is independent from OIE is a weakness that is recognised but not been adequately resolved.*

¹⁶ For more about the role, recruitment, and value of such groups, see VeLure Roholt, R., & Baizerman, M. L. “A model for evaluation advisory groups: Ethos, professional craft knowledge, practices, and skills” in *New Directions*, vol. 2012:136 pp.119-127

Credibility and quality of evaluation products

2.63 As with many other MDBs, evaluation activities include both independent and self-evaluations; the latter are based on the results of project reports or country strategy programmes and are prepared by the operations staff. OIE then validates the credibility of such reports and assesses the quality and performance of the project by rating and justifying both core and complementary project assessment criteria. The self-evaluations should inform the more strategic studies conducted independently by OIE.

2.64 Independent evaluations are undertaken along the following lines. OIE prepares an AP for approval by OAC. If the study is to be outsourced, the AP becomes the basis for a TOR, which, subject to the size of the budget, strategic importance and other factors, may be put to tender. The contracted evaluator then prepares an Inception Report after some desk and field research has taken place. This intermediary report is not done if OIE itself is conducting the evaluation. Sometimes a Progress Report is submitted, but otherwise the next stage is the delivery of the final report in various drafts.¹⁷

2.65 During this period of transition, much of OIE's work has been dealing with the backlog of the validations. In theory, there are an estimated 15 completion reports due each year. However, delays in submitting the reports for validation is commonplace. With the change of head in June 2014, OIE obtained OAC's agreement to reduce the number of validations (six to eight per year). However, currently, only a limited number of PCRs are available for validation as only four PCRs were submitted to OIE in 2015.

2.66 Since 2012, OIE has produced a range of documents. Our Review is based on those listed below as provided by OIE, and cover the period from May 2012 to March 2016. The list includes 4 Evaluations, 1 Inception Report, 4 assessment studies, 12 validations of self-evaluations and 3 APs for upcoming evaluations. These are listed below in Table 4.

¹⁷ Assessments are like evaluations but more limited in scope and depth of analysis.

TABLE 1: LIST OF STUDIES (N = 24) SUBMITTED TO THE BOARD DURING FOR THE PERIOD JANUARY 2012 TO MARCH 2016

Board Meeting	Date	Type / Topic
251	May 2012	<ul style="list-style-type: none"> • Ex-Post Evaluation Report on Road Improvement and Maintenance Project, Nevis -St. Kitts and Nevis. • Validation of Project Completion Report on Sites and Services – Grenada. • Assessment of Effectiveness of Implementation of Poverty Reduction Strategy 2004-09.
253	Oct. 2012	<ul style="list-style-type: none"> • Assessment of Extent and Effectiveness of Mainstreaming Environment, Climate Change, Disaster Management at CDB.
254	Dec. 2012	<ul style="list-style-type: none"> • Assessment of the Implementation Effectiveness of the Gender Equality Policy and Operational Strategy of the Caribbean Development Bank. • Validation of Project Completion Report on Enhancement of Technical and Vocational Education and Training – Belize. • Assessment of the Effectiveness of the Policy-based Lending Instrument.
256	May 2013	<ul style="list-style-type: none"> • Validation of Project Completion Report on Expansion of Grantley Adams International Airport – Barbados. • Validation of Project Completion Report on Fifth Water Supply Project – Saint Lucia.
261	May 2014	<ul style="list-style-type: none"> • Validation of Project Completion Report on Immediate Response Loan, Tropical Storm Gustav, Jamaica. • Validation of Project Completion Report on Social Investment Fund, Jamaica. • Validation of Project Completion Report on Disaster Mitigation and Restoration – Rockfall and Landslip, Grenada.
263	Oct. 2014	<ul style="list-style-type: none"> • Validation of Project Completion Report on Basic Education Project – Antigua and Barbuda
263	Oct. 2014	<ul style="list-style-type: none"> • Approach Paper for SDF 6 and 7 Multicycle Evaluation
264	Dec. 2014	<ul style="list-style-type: none"> • Validation of Project Completion Report on Policy-Based Loan – Anguilla • Validation of Project Completion Report on Immediate Response Loan - Tropical Storm Arthur – Belize. • Evaluation of Technical Assistance Interventions of the Caribbean Development Bank Related to Tax Administration and Tax Reform in The Borrowing Member Countries 2005-2012. • Inception Report Evaluation of SDF 6 and 7 multicycle – Baastel Consultancy
265	March 2015	<ul style="list-style-type: none"> • Approach Paper for the Evaluation of Policy-Based Operations.
266	May 2015	<ul style="list-style-type: none"> • Validation of Project Completion Report on Upgrading of Ecotourism Sites – Dominica • Evaluation of the Caribbean Development Bank’s Intervention in Technical and Vocational Education and Training (1990-2012)
267	July 2015	<ul style="list-style-type: none"> • Validation of Project Completion Report on The Belize Social Investment Fund I Project – Belize
268	Oct. 2015	<ul style="list-style-type: none"> • Approach Paper Country Strategy and Programme Evaluation, Haiti
Paper 77/2016-B4	March 2016	<ul style="list-style-type: none"> • Evaluation Final Draft Report Evaluation of SDF 6 and 7 multicycle Baastel Consultancy (Feb 2016)

2.68 The Reviewers referred to the UNEG Quality Checklist for Evaluation Reports (<http://www.uneval.org/document/detail/607>), as well as on ECG guidance (Big Book on Good Practice Standards) to guide their analysis of these documents.

Approach Papers

2.69 An AP describes the rationale for an evaluation, the background to the topic evaluated, the evaluation framework (criteria and questions) and approach. It also describes the team and provides an initial planning. Being the first main deliverable of OIE's evaluation process, APs are the starting point and therefore a major determining element in the roll-out of each evaluation. Therefore, APs "have to get it right".

2.70 The three APs examined are clearly written, well-structured and of reasonable length.¹⁸ However, they do not clarify the causal relationship in the results matrices e.g., through a clear objective tree, or through an explicit Theory of Change (TOC). Moreover, while one of the APs contains, in an appendix, a results framework *for the evaluation*, the results framework for the intervention (PBO) itself is lacking.

Inception Report

2.71 On request, and to obtain better insight, OIE provided the Panel with the Evaluation Inception on the SDF 6 and 7 by Baastel. The Inception Report gives an in-depth description of the evaluated programme and provides a clear TOC, which was developed after a visit to OIE and CDB. This is considered good practice as it helps to amend the initial AP on the basis of field observations and sharpens the evaluation questions if needed. The Panel cannot judge as to whether or not a developed TOC is always included in all Inception Reports since it only reviewed the one made available for the Review.

2.72 Establishing the TOC of any intervention should be included in the Q@E form more explicitly; it should be developed by, for example, a Quality Assurance Unit. A practical example would also be helpful, for example in the PAS Manuals. Including such tools at design would help to improve both the evaluability and the quality of the self-evaluations and help provide a more strategic focus for the independent evaluations. The Panel understands however that, considering the number of project loans submitted to the BOD each year, OIE, given its limited capacity, would not be able to support this work. This would be better positioned with the Results Advisor at Corporate Planning, in cooperation with operations staff.

Evaluations and Assessments

2.73 This Review considered the three evaluations and four assessment reports completed during the Review period. Assessments are similar to evaluations but have a narrower scope; they focus on a limited set of aspects or judgment criteria, mainly effectiveness, that is, achievement of objectives. Evaluations generally base their judgment on the internationally recognised DAC criteria, as well as aspects of CDB and BMC's management of the intervention.

2.74 In general, these reports are of variable quality, some, e.g. SDF 6 & 7, being quite good. In the main, they explain the evaluated object¹⁹ and provide evaluation objectives. The findings are organised around the evaluation criteria or questions detailed in the scope and objectives section of the report. They are based on evidence derived from data collection and analysis methods as described in the methodology

¹⁸ Opportunities remain of course to be more concise and to move parts to appendices, e.g., detailed descriptions of the evaluation team or part of the description of the evaluated intervention.

¹⁹ Sometimes in great length: for instance, with the SDF 6&7 Multicycle Final Draft Evaluation Report (February, 2016) it is only at page 30 that we find the beginning of the report on findings...

section. The reports tend to dwell on the limitations of analysis, especially due to problems with data collection, which often appears difficult, but without becoming defensive. In two cases (TVET and PBL Assessment) the report starts with a summary of the reviews on the topic done by other MDBs. Making a review of other MDB's existing evaluations is indeed a good practice that could feature more systematically in future evaluations too.

2.75 However, the reports also show several significant weaknesses:

- (a) The thematic reports do not always provide an overarching logic or TOC for the strategy being evaluated.²⁰ Evaluation criteria and questions are defined at a fairly general level. They are translated into more precise “research questions” (in an “Evaluation Design Matrix”, for each project, for each criterion). However, it is unclear how these questions relate to the logic of the overarching strategy (as this is not made explicit). This may be done in Inception Reports (of which, as noted above, only one was available for this Review), but should be done also in the final evaluation reports - albeit if only in the appendix - in order to make the evaluation approach more explicit.
- (b) The reports do not always describe the link from the evaluation questions to the answers, how the evaluation judgments are made and how these ultimately transform into ratings for each criterion and each project. In other words, the explanation provided in the evaluation frameworks is sometimes inadequate. The “evaluation design matrix” currently used does not provide sufficient insight into how ultimately an intervention's performance is judged.
- (c) With the exception of the PBL Assessment, reports are lengthy and detailed. One reason for this is an over-emphasis on ratings. Their detailed discussion, project by project, criterion by criterion, occupies a very prominent position in the evaluation reports' main body of text. Although ratings are traditionally an important element in evaluations of MDBs, too strong an emphasis can be tedious and may distract the reader from the real lessons to be drawn.
- (d) The Reviewers feel that OIE evaluations tend to over-emphasise objectives-based evaluation²¹ and the DAC criteria to the exclusions of considering other evaluation approaches such as real-time evaluation with more experimental projects perhaps using Developmental Evaluation (Patton, 2010²²). The Better Evaluation website provides a good overview of different types of evaluation approaches.²³
- (e) With the exception of the PBL Assessment, executive summaries (approximately eight pages) are too long.

²⁰ Again, with the Final Draft of the SDF 6 & 7 evaluation report, it states that it is guided by a “Logic Model”, but which is not explained.

²¹ The focus of an objectives-oriented evaluation is on specified goals and objectives and determining the extent to which these have been attained by the relevant intervention. See for example, Worthen, Sanders, & Fitzpatrick (1997) *Program Evaluation: Alternative Approaches and Practical Guidelines*. (2nd Ed). White Plains, NY: Addison Wesley Longman.

²² Patton, M.Q. (2010) *Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use*, Guildford Press

²³ <http://www.betterevaluation.org/approaches>

- (f) The “Recommendations to BMCs” are an interesting feature of the reports. However, the Panel is unsure to what degree such recommendations could be effectively followed up by OIE or the Bank, or to what extent the willingness exist at the side of BMC Board members to communicate them to their respective constituencies.
- (g) OIE reports (e.g. the evaluation report on Technical Assistance [TA]) focus much on technical problems that were encountered during the evaluation.

OIE Validations of “Project” and “Country Strategy Programme Completion Reports”²⁴

2.76 As with other MDBs, OIE has the mandate to validate PCRs established by operations. The validations tend to repeat the different items reported in the PCRs and then provide extensive comment on each. The PCVRs go into great depth and detail, which makes the documents rich and complete. This is their strength – but also their weakness. The depth and level of detail, as well as the repetitions from the original PCRs, makes PCVRs (overly) lengthy (20-40 pages) and difficult to read. OIE reported spending approximately 27 per cent (%) of its time on validating PCRs in 2015 compared with 44% on its core work, i.e. doing or managing the higher level evaluations. That is more than a quarter of all of its evaluation activities is being spent on the validation process. Finally, the PCVRs now seem to be, to a great extent, a standalone output of OIE. With the exception of the four PBO validations selected to feed into the independent PBO evaluation, it is not always clear to the Panel how they are being used as the “building blocks” for OIE’s independent evaluations.

2.77 Overall conclusion: OIE’s independent evaluation products are of variable quality. Whilst some are well structured around questions and the judgment criteria, this is not always the case. The causal link from inputs to outcomes is not always clearly justified. However, the Panel’s main concern is that the inclusion of a TOC both in the APs and (reconstructed) in the final reports is not systematic. The executive summaries and full reports tend to be overly lengthy with too much detail on ratings. This makes the flow difficult to follow.

Conclusions

2.78 The Review finds that OIE has taken steps to improve the perceived utility of evaluation in two important ways.

- (a) In the first instance, by planning its work to provide relevant and timelier evidence geared towards helping the Board with its oversight and decision making tasks. The topics are selected through dialogue between OIE and key CDB stakeholders and reflect priorities of CDB’s strategic plan. However, the current funding arrangements allow little flexibility for resourcing additional topics which are not included in the administrative budget, nor a more strategic pipeline of evaluations in ‘anticipation’ of new policies and strategies under review. ‘Timely’ planning is also about the strategic ‘timing’ and ‘commissioning’ of evaluation in line with *emerging policy cycles*.
- (b) Secondly, by securing the interest and consequently the buy-in of OAC and CDB senior management through engaging their input at key stages during the evaluation process. This is evidenced by the reported interest in the latest three studies, the Country Strategy Programme in Haiti, the Evaluation of PBOs and the SDF 6 & 7 Multicycle Evaluation. However, there is no provision for systematically engaging stakeholders in the evaluation

²⁴ Referred to globally as PCVRs hereafter.

process throughout. OIE is missing out on potential opportunities for having stakeholder advice regarding evaluation progress and possibly offering solutions to any challenges encountered during the course of an evaluation.

- (f) The Panel finds that the processes in place for approving evaluations, especially when extraordinary (e.g. SDF) funding is needed, and for reviewing report drafts are overcomplicated and inefficient. Moreover, the latter can affect the timely reporting of OIE evaluations to OAC.
- (g) The tools developed to support the validation of self-evaluations are complete but tend to be long and “user-unfriendly”.
- (h) Evaluation places much emphasis on the DAC criteria – as is usual among the MDBs – and their rating; however in some cases other types of criteria (or sub-sets of criteria depending on the question / issue at hand) could be more important for the focus rather than attempting to take into account all five DAC criteria. The choice should depend on the policy decisions to be taken.²⁵
- (i) The documentation on a standardised procedure (e.g. Manual) for the independent evaluation process is missing.
- (j) The OIE independent evaluation products are of variable quality. In the main, they are well structured, and are evidence-based. However a major shortcoming is the systematic lack of a TOC in the Aps, as well as in the final reports. Moreover, the link between the evaluation questions and their answers is not always clear; in short the explanation on how judgments are made is not always obvious.
- (k) The independent evaluation reports tend to be long and overly detailed so that the thread is difficult to follow. There is too much detail and emphasis on ratings in the body of the main report, which may draw the reader’s attention away from the real issues.
- (l) The depth and detail of the validation reports make them rich, but also difficult to read. OIE’s time commitment for the PCR validations seem disproportionate in relation to its other tasks. This is partly due to the sometimes-lengthy exchange between the OIE and the operations area to agree the validation reports.

Recommendations

2.79 To CDB

- (c) The efficiency of processes in place to approve evaluations that need extraordinary funding should be improved through a revised strategic planning process. This should conclude with a medium term strategy (five years in line with CDB’s strategic plan) and relevant budget forecast which should specify the costs of all planned activities over the period (discussed further under the adequacy of resources section).

²⁵ For example, for EIB’s evaluation of Climate Action (2015), there was much emphasis on evaluating the contribution of the bank’s operations to greenhouse gas emission mitigation (which is de facto a subset of effectiveness). The evaluation of efficiency of projects was not taken into account. Similarly, different criteria would be needed in the use of a developmental evaluation approach, which would largely be focused on implementation issues.

- (d) The process for reviewing draft copies of the evaluation report and finalising the management response should be made more efficient. Any factual corrections to the reports should be dealt with within a defined time period, otherwise taken as accepted.
- (e) Ideally management responses should be submitted to OAC together with the independent evaluation reports. However, should there be significant delays, OIE should be able to submit documents without necessarily waiting for the accompanying management response.
- (f) The tools used to support self-evaluations and the process itself should be simplified to encourage timelier reporting.
- (g) The setting up of a Quality Assurance Unit in the operations area should be a priority. It could oversee Q@E, quality of supervision, as well as the quality of completion reports.

2.80 To OIE

- (a) OIE has shown initiative in its attempts to secure CDB ‘buy-in’ and interest in evaluations by engaging relevant stakeholders in the choice of evaluation topics, the evaluation designs and in the reporting stages. “Ownership” and engagement could be further enhanced by establishing an “Evaluation Advisory or Consultative Group” to follow and advise on the progress of individual evaluations throughout the various phases of the evaluation cycle. Members should be drawn from both internal and external stakeholders. For example, these should include representatives from the relevant CDB Unit/Division/Department, the BMC, and possibly those responsible for implementation. Such groups are gradually becoming common practice in other organisations and have provided added value in several ways: improving access to data, networking, capacity building, identifying relevant messages for relevant stakeholder groups, tracking implementation of recommendations and lessons, and generally enhancing the value and use of evaluation.
- (b) Standardised procedure for developing and managing independent evaluations should be documented in an OIE Evaluation Manual. Guidelines and checklists should be included as they contribute to assuring a coherent and transparent procedure, which is particularly important when employing new staff so as to assure that OIE procedures are known and applied.
- (c) Training on the use of support tools, especially for CDB and OIE new staff, should be systematic.
- (d) The quality and impact of OIE’s independent evaluation products should be improved, such as by:
 - (i) Systematic inclusion of TOCs in APs and reconstructed in final reports.
 - (ii) Links between findings, conclusions and recommendations could be improved by making them more explicit. In other words, reports should include the story on how the intervention is credibly linked to any observed outcomes and impacts, and should be clear on how causal claims are made.

- (iii) The reports and their executive summaries should be shorter, more concise and “user-friendly”. This could be achieved by putting much of the detailed discussions particularly on methodology, limitations, ratings and their evidence base, in an Appendix, with a brief summary in the main report. This would help give the lessons and recommendations a more prominent position than is now the case. This would also help make the evaluation reports not only shorter but also more interesting to read; this could help add value to evaluation’s image within the organisation.

Putting Evaluation to Effective Use: transparency, feedback, follow-up and communication

2.81 There are several ways that evaluation can be, and is being used. As John Mayne has pointed out in his many publications on the issue,²⁶ when we talk of evaluation use, we are mainly thinking about its *Instrumental use* — use made to directly improve programming and performance. But there is also *conceptual use* — use which often goes unnoticed or more precisely, unmeasured. This refers to the kind of use made to enhance knowledge about the type of intervention under study in a more general way. Or even *Reflective use* — this refers to using discussions or workshops to encourage and support reflection on the evaluation findings to see how they might contribute to future strategies.

2.82 In the case of CDB there is some evidence to suggest that “use” is not only instrumental, but other types are also developing. For example, in the review of draft evaluation reports, the process includes reflective workshops that discuss not only the findings, but also seek to draw out the important lessons. (*Reflective use*)

2.83 Another important use of evaluation, as recommended by the ECG, is that from time to time a synthesis of lessons is drawn from a number of evaluations and made available publically. In fact, the Panel was interested to hear that in the past, the evaluation unit had drawn together a synthesis of lessons drawn from evaluations of the power sector. (*Conceptual use*) But none have been done since setting up the OIE, although it is now on the “to do list” for 2016 (OIE’s 2016 Work Plan).

2.84 As for *instrumental use*, responsibility for using the knowledge generated through evaluation and for possibly drawing up an action plan of what should be done is up to CDB senior management and the relevant CDB departments and divisions. Oversight on applying recommendations and picking up on the lessons is the responsibility of OAC.

2.85 Evidence on how evaluations have actually contributed to decisions or negotiations is lacking. Certainly, OIE is unaware of the extent to which its evaluations are put to use. On the one hand we read in the OAC minutes that lessons learned are integrated into the next phase. On the other, we were told that often in the past, the evaluation results were “too old” to be of use as the lessons had already been drawn and used way before the report was completed. Similarly, people’s gaps in memory on how well the evaluative information from previous studies may have been used may also account for the scarcity of evidence.

2.86 In response, the Panel questioned CDB staff and OIE about a particular study, the Evaluation of TVET. The feedback was somewhat contradictory. On the one hand, the study was criticised as “confirming” news rather than bringing “new news”. However, on the other hand, the Panel learned that the evaluation will feed into the revision of CDB’s Education and Training Policy and Strategy that was recently approved by the Board, and that work on the revisions has already started.

²⁶ See for example, his opening chapter to *Enhancing Evaluation use: Insights from internal Evaluation Units*, Läubli Loud, M. and Mayne, J. 2014, Sage Publications

2.87 Although it is one of OIE's tasks to set up a database on results and lessons learned from evaluations, so far this has not been a priority. There is also currently no systematic tracking of lessons or recommendations arising from the evaluations, or on any progress in their uptake. OAC has, on occasion, raised questions about specific evaluations and asked that they be kept informed on progress as "action information" on subsequent agenda. However, as said above under governance, in our examination of the minutes from 2012 to December 2015 such requests do not appear to have been followed-up. The OAC oversight of evaluation use appears to be inadequate.

2.88 In recent times and with the approval of its new Disclosure Policy, CDB has started to post its independent evaluation reports on its website. The website also presents a good overview of the role and function of OIE and evaluation within CDB. This is a step in the right direction for sharing information. However, in our view, OIE's communication strategy is the weakest part of the evaluation system to date.

2.89 For instance, evaluations generally address important questions, generate knowledge and offer important information from which lessons can be drawn that are relevant to a broad range of stakeholders. Providing decision-makers with credible evidence is not sufficient; the evidence needs to be "brokered", i.e. findings need to be broken into messages relevant to a broad range of stakeholders (users) and then 'delivered' in a format that is appropriate to the targeted group. Evaluation units have an important 'brokerage' role to play here, assuring that the 'right' information is delivered to the 'right' decision makers.

2.90 OIE has greatly improved the presentation of its technical reports to OAC by summarising the main points in its Evaluation Briefs (e.g. the Tax Administration and Tax Reform and the TVET Evaluations). This is commendable and certainly a step in the right direction although the Panel considers that they should have a sharper focus on the strategic issues (which are the end of the brief rather than the beginning), be further condensed and be made more "reader friendly". But reporting and communicating the lessons seem to be entirely targeted at the Board and CDB internally.

2.91 The Panel finds that actively engaging with the more indirect stakeholders, for example project implementers in the BMCs, NGOs or project beneficiaries is relatively weak²⁷. There appears to be little reflection on drawing out significant messages for the broader group of stakeholders, or on how then to transmit them to the "right" people in the "right" way (knowledge brokerage).

2.92 OIE's role in supporting CDB's organisational learning is clearly specified in the Evaluation Policy, with many good suggestions for knowledge sharing activities such as "brown-bag lunches, workshops, pamphlets and short issues papers" (p. 19). So far, however, OIE's lead role on the knowledge sharing side appears to be quite limited. It has provided advisory input in Loan Committee discussions and organises workshops together with the relative operational department for discussing the implications of evaluation studies. Ultimately, of course, the *uptake of evaluation results and knowledge is in the hands of management*. But the evaluation unit has an important role to play in terms of knowledge broker and knowledge manager. Both have tended to be underplayed in OIE's work plan so far. Moreover, there is no budget earmarked in OIE budgets for communicating lessons learned to different stakeholders (knowledge brokerage) and thus developing a more targeted communication strategy.

²⁷ A broader communication strategy is one of the principles and good standards of the ECG and the Evaluation Community more generally.

Conclusions

2.93 There is indication of some *reflective use* of evaluation through organised workshops to consider emerging findings and possible actions in response and of one example of a *conceptual use*. However, documented evidence on the uptake of evaluation is sparse. (*Instrumental use*)

- (a) OIE itself is neither aware of how evaluation is used nor is it documenting use.
- (b) OIE has not as yet established a systematic record keeping system to track lessons learned or the uptake of recommendations (or actions agreed by OAC and/ CDB management).
- (c) Although the Evaluation Policy specifies the need for “distilling evaluation findings and lessons learned in appropriate formats for targeted audiences both within and outside the CDB” (p.19) such a targeted communication strategy has yet to be developed.
- (d) Transparency is improving, as some of the independent evaluations are now available in the public domain on CDB’s website.
- (e) OIE’s strategy for communicating evaluation results does not match the spirit outlined in the Evaluation Policy: it does not appear to take into consideration stakeholders outside of CDB and OAC/BOD.

Recommendations

2.94 To OIE

- (a) The tracking of recommendations and lessons drawn from evaluations and their use should be a priority. This is an important knowledge management function that should be overseen by OIE.
- (b) OIE should prioritise its role in supporting organisational learning as indicated in the Evaluation Policy.
- (c) OIE should develop a knowledge brokering role so that a wider group of stakeholders are better informed about relevant messages arising from the evaluations. A specific budget should be earmarked in OIE’s overall budget for such purposes.
- (d) Establishing Evaluation Advisory/Consultative Groups for accompanying individual evaluations should include internal and external stakeholders; an important task should be to advise on a targeted strategy for communicating important messages and lessons drawn from the evaluations.

STRENGTHENING EVALUATION CAPACITIES AND NETWORKING

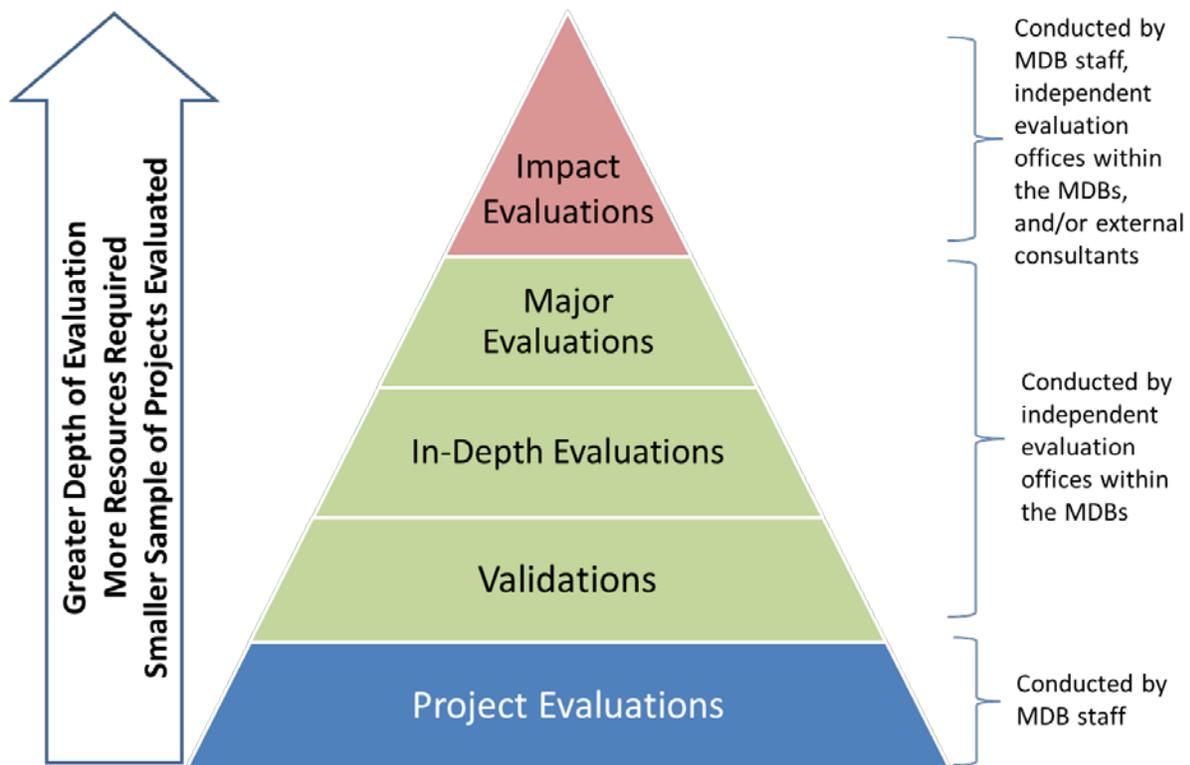
2.95 From the onset in 2012, OIE has stressed the importance of developing and strengthening evaluation capacities within OIE, CDB and, subject to available resources, in BMCs. Building evaluation capacity in BMCs and CDB is one of OIE’s mandated tasks. It has been a priority that figures on the work plan from the beginning (Work Programme and Budget 2012-14). The idea of developing an internship programme for graduates from the Caribbean region was one idea that was advanced to help build local evaluation resources. However, capacity-building has primarily been focussed on OIE and CDB staff to date. One of OIE’s two objectives for 2015 therefore was to take up the challenge and “strengthen evaluation capacities and networking” to include reaching out to the BMCs.

Developing OIE staff capacities

2.96 The change from project level to strategic and thematic evaluations does require different evaluative skills and competencies. The MDB Evaluation Pyramid presented in Figure 3 shows the different types of evaluation and changing resource needs as one ascends the pyramid. Implicit here also is the change in the type of expertise and competencies needed as evaluation aspires to the higher levels.

2.97 In line with OIE’s shift from project-based to thematic, sector and strategic evaluations, for 2015, OIE set itself the objective of networking and developing working partnerships with regional and international evaluation entities and academic institutions. The rationale was twofold: (i) secure further evaluation support and guidance for its staff; as well as (ii) increase its outreach and coverage through joint work and international exposure. Another implicit aim was to benefit from partners’ contacts in the BMCs wherever possible so as to improve data collection and quality.

FIGURE 3: THE MDB EVALUATION PYRAMID²⁸



2.98 OIE has therefore linked up with Carleton University in Canada and the University of the West Indies, Barbados campus. OIE was also approached by the Development Bank of South Africa to exchange experiences about setting up an evaluation entity in a “small” development bank. However, its attempt to become a member of the ECG was not successful for reasons beyond its control.

²⁸ US Treasury Report to Congress on Evaluation Standards and Practices at the Multilateral Development Banks (September 2014, Annex C).

2.99 OIE has shown foresight in addressing the issue of staff competencies and professional development more generally. New developments in evaluation, as well as new developments in the scope of OIE's work may necessitate new competencies. For this reason, organisations such as the International Developmental Evaluation Association have recommended that the competencies of evaluators and evaluation managers should be periodically appraised. Several publications now exist on competency requirements and suggestions for the periodic appraisal of staff competencies.²⁹

2.100 It is not within this remit to compare and contrast OIE's competencies with those recommended by international and national agencies. However, what we can say is that OIE demonstrates great forethought in taking this on board.

Capacity building within CDB

2.101 OIE's strategy has been to use the windows of opportunities on offer through some of the training sessions that are being organised by CDB as part of its shift towards MfDR e.g. by the Corporate Planning and Technical Cooperation Divisions. In 2016, OIE intended to organise a Learning Forum.

2.102 OIE also organises some ad hoc training with operations, for example to help understand new tools e.g. for drawing out lessons from self-evaluation reports and, more generally, in helping staff appreciate how evaluation can add value to the organisation's work. Measures include providing advisory services on demand and providing training alongside the introduction of new or revised tools.

Capacity building in BMCs

2.103 This is an ambitious task and would require additional investment; from the bi-annual work plans, it would seem that it therefore tends to be put to the bottom of the 'to-do' list. However, from what we understand, OIE's strategy is to join together with the Carleton University and University of the West Indies, using their networks in some of the BMCs, to try to develop this aspect. However, the resources currently available to OIE will limit the scope of such work, which in turn, will continue to hinder the production of sound evidence for OIE's evaluations.

Conclusions

- (a) The Review cannot comment on the quality or reaction to OIE's capacity building activities, but can commend OIE for taking it on board. From both the Policy and the documents examined, it was noted that capacity building was always an issue to be tackled, but one which tended to be put to the bottom of the 'to do' list.
- (b) Capacity-building for OIE staff is being addressed, mainly informally through "on the job" training.
- (c) In the main, for capacity-building within CDB, the Panel agrees with OIE's decision to "add on" to existing CDB training opportunities being organised by the Corporate Planning and Technical Cooperation Divisions, particularly in view of OIE's limited resources. This should not, however, negate exploring other, more informal opportunities.

²⁹ E.g. IDEAS, (2012) *Competencies for Development Evaluation Evaluators, Managers and Commissioners*, the Canadian Evaluation Society's *Competencies for Canadian Evaluation Practice* (2010) and the Swiss Evaluation Society's *Evaluation Managers Competencies Framework* (2014)

- (d) Working with the BMCs is certainly an important need, but will require focus and additional human and financial resources.

Recommendations

2.104 *To OIE*

- (a) For its own staff, OIE would do well to assess staff skills at least annually, and devise a suitable professional development programme to address individual needs. This will be increasingly important as OIE engages in high-level evaluations and takes on a broader range of themes e.g. gender, climate change etc.
- (b) Efforts to build capacity within CDB and develop an appreciation and culture of evaluation should remain an important element of OIE's activities. It should continue to "tag-on" to activities organised by CDB. However informal measures, such as through supporting organisational learning and dialogue throughout the whole evaluation process, can offer many informal opportunities to promote the added value evaluation can bring.
- (c) For developing capacity within the BMCs, OIE would do well to work together with the appropriate CDB Divisions – e.g. Technical Cooperation Division - in order to define a strategy and complementary budget.
- (d) Systematically establishing an "Evaluation Advisory or Consultative Group" to accompany the progress of individual evaluations would also contribute to capacity building both within CDB and BMCs if representatives from both were included in the membership of such groups.

APPROPRIATENESS OF OIE'S CURRENT STRATEGY, WORK PRACTICES AND WORK PROGRAMME

2.105 Following the approval of CDB's Evaluation Policy, OIE attempted to develop a plan for its implementation. It considered such questions as: what are the priorities and the timeframe for achieving activities? These were partially addressed in the OIE work programme and budget 2012-14, but the programme proved to be over ambitious. Appendix III provides more details on OIE practices and budget.

2.106 Much of the period 2012-15 was taken up with preparing for OIE's shift in focus from project-based, ex-post evaluations to strategic, thematic and sector evaluations. From 2014, OIE has therefore adopted a four-way approach: (i) for self-evaluations, reducing its time input to support the process; (ii) for independent evaluations, identifying the gaps in coverage and expertise, and increasing the involvement of its own staff in conducting evaluations; (iii) developing evaluation's learning function to redress the balance between accountability and learning; and (iv) networking to share experiences with centres of expertise and align OIE with international good practices. OIE plans to conduct between two to four strategic evaluations per year from 2016. Outsourcing is still needed; when the evaluation is funded with SDF resources, when time is limited and when specific expertise is required. Such needs do not appear to have been fully costed within OIE's annual administrative budgets.

2.107 To improve evaluation's learning function, one of OIE's 2015 objectives was to make its work more "utilisation-focused". This implies identifying the specific messages for various audiences and ensuring that the evaluation information is packaged according to relevant information needs. In other words it requires a targeted communication strategy. If this is the case, then OIE's current strategy

document and work plan underestimate the importance of evaluation management activities (e.g. knowledge management and brokerage in particular) and the relevant time needs.

2.108 Yet the current workload is already a challenge for OIE; as mentioned in the previous sections, there are delays in completing reports, validation work, etc. All have already affected OIE's plans. Even though the more recent work plans have set expectations for delivery of 'utility-focused' and timely evaluations as a key objective, they lack clarity on how OIE proposes to surmount the time and data issues, which continue to be major impediments.

2.109 There are also additional challenges that will have to be dealt with to enable OIE to move up the MDB evaluation pyramid³⁰ (e.g. staff competencies, limited human and financial resources) (See Appendix 3 for more on OIE's work practices).

Conclusions

- (a) As it stands, OIE's current strategy and work programme do not sufficiently take account of the full range of activities and time commitment needed to develop higher-level evaluations, support evaluation management tasks and develop staff competencies. Moreover the strategy and work programme activities are insufficiently detailed in terms of projected costs.
- (b) OIE's current workload is already challenging; for instance, having to address data paucity and poor documentation, which in turn affect the timely delivery of quality evaluations. (The challenges OIE is facing over data and timing problems are further discussed in the section on the relationship between self- and independent evaluations.)

Recommendations

2.110 *To OIE*

- (a) OIE needs a clearer medium-term (five-year) strategy with well-defined objectives and explicit expectations on what it is trying to achieve, the types of evaluations to be undertaken, and over what time period.
- (b) In order to enhance the value and utility of evaluation, OIE's evaluation management tasks, especially knowledge management and knowledge brokerage, need to be given higher priority and time commitment.
- (c) OIE should forecast sufficient funds to support a medium-term strategy and work programme. The budget should include sufficient provision for improving knowledge sharing activities, evaluation management tasks more generally and OIE staff professional development.
- (d) The strategy should be adequately costed so as to avoid resorting to extraordinary funding sources.

³⁰ US Treasury Report to Congress on Evaluation Standards and Practices at the Multilateral Development Banks (September 2014, Annex C).

ADEQUACY OF THE OIE'S HUMAN AND FINANCIAL RESOURCES

Human resources

2.111 OIE staff consists of five persons - the Head, three professional staff and one administrative assistant. A full time Consultant Evaluation Officer (previous OIE staff) has been engaged for a limited time (until mid-2016) to support OIE.³¹ Three of the five were recruited from within CDB.

2.112 Existing staff capacity is not commensurate with the expectations outlined in CDB's Evaluation Policy. The Panel is of the view that in trying to meet such expectations, OIE could be overwhelmed and less likely to deliver credible and useful evaluations. Moreover there are many other designated OIE activities that should be recognised as valuable work; the validations, building CDB and BMC evaluation capacity, providing supervision, advice, knowledge management and brokerage as well as managing evaluation contracts. The allocation of human resources and time to deal with all of these seem to be underestimated, yet they are vital for assuring best value from evaluation. The Panel is concerned that a demand for "doing" evaluations, as well as OIE's interest in advancing its skills in strategic evaluations may undermine the importance and time needs of other essential tasks. The balance between "managing" and "doing" evaluations is inadequate.

Limited financial resources for OIE's work programme

2.113 OIE is funded from the general administrative budget and represents approximately 2.5% of the total budget. While this is seemingly a higher proportion than most other MDBs, in real terms, it is quite limited. In 2015, approximately 75% of OIE's budget was for staff salaries leaving USD190,000 for external consultancies and other expenses³².

2.114 For funded projects, CDB does not appear to be systematically specifying a budget for M&E activities. This means that on the one hand, there is no clear external budgetary recognition of the operations' self-evaluation work or of OIE's time in the validation process, and on the other, that while the Board expects to receive reports from independent evaluations, the expectation is not adequately reinforced by making this clear when allocating funds.

2.115 Resources available to OIE for hiring external consultants have decreased from USD350,000 in the revised 2014 Budget to USD145,000 in the 2015 approved Budget. OIE estimates that for strategic evaluations, the cost for external consultancies ranges from USD90,000 to USD350,000, depending on the scope and scale (e.g. the consultancy contract for the SDF 6&7 evaluation amounted to USD255,000).

2.116 According to the Panel's experience, this appears to be a sound approximation. With OIE's focus on dealing with the backlog of PCRs for validation amongst other priorities, it was unable to execute some of the evaluations during the annual budget period. Hence, the budget was reduced for the consequent years but has proven to be insufficient. OIE has therefore needed to turn to the only alternative source available at present, the SDF fund. However, the SDF funding rules apply to specific countries and themes and obviously restrict OIE's choice of evaluations and methodology. Since the SDF does not allow for OIE recurring costs such as staff travel, the SDF evaluations have to be outsourced. As presented in Figure 1, the approval process is long and causes delays to the overall evaluation process. Furthermore, SDF-funded evaluations have to be re-approved internally as they are subject to SDF rules and regulations, which in turn, undermines OIE's strategic and functional independence. While the Panel learned that additional

³¹ This was a temporary solution in response to the cancellation of a previously approved additional permanent staff position in 2014.

³² More details on budgets and OIE practices are provided in Appendix III

funds, for example for specific studies, could be secured from within the administrative budget during the year on condition that the request was based on sound arguments, this is not compatible with an independent evaluation function. It would be more appropriately dealt with by having OIE draw up a medium-term strategy and work programme together with an appropriate budget forecast so that sufficient funds could be earmarked and protected.

2.117 While the Panel well appreciates that the Bank is operating within a zero growth framework, having OIE funding insufficiently secured and somewhat unpredictable in line with its priorities and work plan is not considered good practice. The need to seek alternative funding for individual evaluations does not allow for any flexibility and undermines OIE's independent choices. It also makes it difficult for OIE to deliver on CDB's Evaluation Policy.

Conclusions

- (a) OIE is inadequately resourced to meet the expectations outlined in CDB's Evaluation Policy. However, the Panel recognise that CDB itself has budgetary restrictions.
- (b) OIE's annual administrative budget – as part of CDB's administrative budget – is inadequate to meet the various activities in which OIE should be engaged. Current arrangements for securing extra funding can limit OIE's ability to exercise autonomy over its activities. For example, the selection of evaluation topics, themes and countries appear to be primarily influenced by budgetary concerns, as is the case for developing essential evaluation management activities. As such, the funding arrangements are challenging OIE's functional independence.

Recommendations

2.118 To OAC

- (a) OAC should recommend that CDB and the Board identify specific M&E budgets to be integrated as a budget line/allocation within grants and loans, as well as for trust funds. These could then be used to support CDB's self and independent evaluation activities.
- (b) OAC should ensure OIE's resource base is expanded over time to facilitate an appropriate level of independent evaluation of the Bank's new areas of focus (e.g. renewable energy, environmental sustainability, disaster risk mitigation).

2.119 To OIE

- (a) With limited resources and competing priorities, OIE will have to focus on those activities that are highly relevant and purposeful, achievable within reasonable time frames, produce good quality outputs and can generate the highest value added to the organisation.
- (b) OIE should draw up a medium term, costed strategy and work programme that should strike a balance between 'doing' and 'managing' evaluations to enhance their utility. Special attention should be paid to activities aimed at improving communication and enhancing use. Moreover, this has the added advantage of helping build an enabling evaluation environment (a learning and evaluation culture).
- (c) There should be a budget forecast in line with the medium-term strategy and work programme; it should be protected and any anticipated, unused monies returned to CDB in the annual mid-term budget review. This should, however, not reduce the following year's budget forecast.

QUALITY OF WORKING RELATIONSHIP BETWEEN SELF- AND INDEPENDENT EVALUATION

2.120 Such a question essentially concerns the degree to which a learning culture exists since evaluation's image and potential value is very much shaped by how open the organisation is to accepting constructive criticism. In analysing the data therefore, the Panel focussed on the degree of an existing learning culture as a major criterion.

2.121 In line with international standards, CDB's evaluation system covers both self and independent evaluation. Self-evaluations cover public sector investment, lending and TA, PBLs and country strategy programmes. Both are important as the self-evaluations are at the very heart of the evaluation function; they are said to be the building blocks for the more strategic evaluations that OIE is now undertaking.

2.122 The ECG recommends that the self-evaluations be carried out by the relevant operations department and in turn, assessed and validated by the organisation's independent evaluation office. CDB's Evaluation Policy therefore talks of "validating all self-evaluations" as being one of OIE's essential oversight tasks.

2.123 Within CDB, the self-evaluations should provide management with performance assessments of the various CDB interventions. OIE's validations of the individual self-evaluations provide an independent assessment and are then presented to OAC; they contribute to both the learning and accountability functions of evaluation. To support the process, the operations area can refer to manuals and checklists to which OIE has contributed content. Once a self-evaluation report is to hand, it is given over to OIE for the validation of its technical quality and credibility.³³

2.124 However, in the CDB case, there are well-documented issues that have affected the quality and timeliness of the self-evaluations on the one hand, and therefore the quality of the foundation on which to build the independent evaluations. Paucity of documentation within CDB, paucity of data collected and available in the BMCs, time delays in producing completion reports and in turn, having them validated by OIE - all such issues were systematically raised during interviews and in some of the independent evaluation reports the Panel examined.

2.125 Generally speaking, many of the monitoring data problems appear to be due to a lack of management oversight. For example, with the introduction of results-based management, the log frame, monitoring and data needs are being built into intervention design. However, the BMCs, the Panel was told, do not always deliver on the data and reporting requirements as contractually agreed at the outset. Incentives to support any significant change towards building a results-based culture seem to be weak and sanctions seem to be rarely enforced when the supply of data is lacking or lengthy delays to the projects occur. Although we can appreciate the complexities of trying to enforce monitoring compliance, this means that often, project deadlines have had to be extended, data gaps are not being satisfactorily dealt with and in turn, there has been a void in the quality and quantity of available evidence for CDB's self-assessment of project performance.

2.126 For some time, this lack of oversight has been tolerated. This is partly due to the very real problem of time; staff has more pressing priorities and there is little incentive to complete the self-evaluation reports in a timelier manner. There is also the absence of any focal point within senior management to drive the process and deal with the problems. According to the Evaluation Policy (p.15)

³³ According to the CDB Evaluation Policy, OIE should validate all PCRs and CCRs but due to the backlog of reports and the delay in completing them (sometimes years later) since October 2015, OIE has secured OAC agreement to validate a maximum of six per year, which are selected in consultation with the OAC.

2.127 “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”.

2.128 In CDB, such a learning culture is at an early development stage. The leadership role as expressed in the Evaluation Policy is still developing.

2.129 The Panel was unable to find any record of how the self-evaluation results are actually used. They do not appear on the CDB website, but the Panel was told that the findings are integrated into the following project designs. How useful these reports are found to be or are actually used, therefore, is unclear. The situation is exacerbated by operation staff’s mixed views of evaluation: some consider OIE’s input (through validations or independent evaluations) to be over-critical, regulatory and adding little value; it is sometimes seen as a threat rather than an opportunity for learning. Yet at the same time, evaluation is understood to be an integral part of result-based management.

2.130 There is some indication of changing attitudes, however. For example, a revised and simplified template for producing project completion is being considered, and the Panel were told that mid-term project reviews are expected to be more stringent in looking at monitoring plans and practices and tying disbursements to performance. In some cases, we also learned of incentives being introduced to encourage project managers to complete their reports in a timelier manner. With the change from EOv to OIE, there is no longer a clear “home” for developing monitoring systems and self-evaluation capacity; this is an important lack that needs to be addressed.

Conclusions

2.131 *The Panel is of the opinion that, although CDB has been engaged with evaluation for more than two decades³⁴, a learning and evaluation culture within CDB is weak. This is attributable to a number of factors.*

- (a) Criticism is not necessarily perceived as an opportunity for learning and improvement.
- (b) There is the very real problem of time restrictions and workload, which is a basic constraint to learning.
- (c) The knowledge management system is inadequate. There is no systematic way of collecting and sharing experiences and lessons learned.
- (d) The Panel found that operations staff’s perception of evaluation is mixed; some see it as a bureaucratic control mechanism to support *accountability*. This attitude weakens evaluation’s potential learning dimension. The “frustrations” caused by the delays in the exchange of reports have only exacerbated the problem.
- (e) To emphasise OIE’s new independent role, it has tended to operate at arm’s length from operations. OIE’s dual role, that is advisory role in relation to operations and its strategic role towards the OAC and senior management, has not been satisfactorily resolved. The operations staff still does not appear to see any urgency in producing their PCR or appreciate what lessons might be drawn from such reflection. OIE is attempting to support “learning” whilst at the same time, keeping a distance. Even though OIE is now trying to emphasise the learning part of evaluation, it will take time to influence attitudes.

³⁴ An evaluation function was already in existence within CDB from the 1990s: OIE is a more recent development.

- (f) The absence of a formal ‘home’ for self-evaluation and capacity development for M&E means that OIE is the first point of call for a range of enquiries, but more often than not too late in the process – at Loans Committee stage.

Recommendations

2.132 To CDB Senior Management

- (a) It should strengthen its leadership role to support and advance an organisational learning culture that promotes the added value evaluation can bring to bear.
- (b) When considering proposals on current and new projects and programmes, it should always assure that findings and lessons from past evaluation(s) have been integrated into the proposals.
- (c) A Quality Assurance or M&E unit in CDB could perhaps act as a bridge to draw on OIE resources for more complex issues, particularly where ‘Evaluability’ is more of a concern.

2.133 To OIE

- (a) OIE should adopt the role of critical friend³⁵ in its dealings with the CDB operations area and CDB more generally.
- (b) OIE should identify, train and engage “champions” within CDB operations to help demonstrate evaluation utility and provide “on the job” training in self-evaluation to colleagues.
- (c) OIE should help demonstrate the link between self-evaluations and independent evaluations to operations both in their advisory capacity as well as ensuring that this link is better brought out in the independent evaluation reports.

³⁵ “A critical friend can be defined as a trusted person who asks provocative questions, provides data to be examined through another lens, and offers critiques of a person’s work as a friend. A critical friend takes the time to fully understand the context of the work presented and the outcomes that the person or group is working toward. The friend is an advocate for the success of that work.” Costa, A. and Kallick, B.(1993) "Through the Lens of a Critical Friend". *Educational Leadership* 51(2) 49-51

PART THREE: MAIN CONCLUSIONS AND RECOMMENDATIONS

3.01 This part of the Review summarises the Panel’s main conclusions and recommendations with reference to the four questions set out in the TOR and Approach Paper. The more detailed conclusions and subsequent recommendations to each of the key stakeholders - OAC, CDB and OIE – are set out in Part Two.

ON GOVERNANCE AND INDEPENDENCE

3.02 Governance issues

- (a) Governance, as outlined in CDB’s Evaluation Policy, reflects internationally recognised evaluation principles and standards. For example, OIE reports to the BOD through its OAC.
- (b) OAC is, however, struggling to meet its oversight responsibilities. For instance, the Panel considers that OAC is not acting with sufficient firmness to bring about change regarding the challenges evaluation raises or has to deal with; during its meetings, there is no systematic report on “follow up of actions agreed” for OAC to track changes as a consequence of an evaluation and management’s response.
- (c) CDB’s Evaluation Policy tends to be overambitious given the limited resources for evaluation within CDB at present.

3.03 Recommendations

- (a) OAC should be enabled to, and play a stronger role in overseeing evaluation and the evaluation processes in CDB. For example, it should take a firmer stand with CDB with respect to improving on its timely reporting and responding to evaluations.

OIE’s independence

3.04 OIE is organisationally independent in that it is separate from CDB management and reports directly to the BOD through OAC. Its independence is, however, challenged by three major issues;

- (a) timely reporting of evaluations to OAC, - e.g. delays in obtaining up-to-date information, documentation or data, delays in receiving the relevant management response which should accompany the evaluation reports,
- (b) by limited transparency - few of the independent evaluations are available in the public domain on CDB’s website. Equally, there are no self-evaluation reports or their validations posted on the website. Dissemination of evaluation reports is limited to CDB, OAC, and the BOD.
- (c) by current funding arrangements - OIE’s annual administrative budget – as part of the CDB’s administrative budget – is inadequate to meet the various activities in which OIE should be engaged as outlined in CDB’s Evaluation Policy. For example, current funding arrangements allow little flexibility for resourcing additional topics which are not included in the administrative budget, nor for a more strategic pipeline of evaluations in ‘anticipation’ of new policies and strategies under review. Timely’ planning is also about the strategic ‘timing’ and ‘commissioning’ of evaluation in line with *emerging policy*

cycles.

Notwithstanding, the Panel recognises that CDB has budgetary restrictions.

3.05 Recommendations

- (a) OIE's functional independence should be better secured through improvements in funding arrangements, measures to improve timely reporting to OAC and dissemination of reports to a wider group of stakeholders.
- (b) OAC should work with the BOD and CDB management to ensure a viable OIE budget consistent with an approved and costed, medium-term strategic plan. It should reflect the priorities of CDB's Strategic Plan and include a rolling and budgeted evaluation work programme. New areas of focus, such as renewable energy, environmental sustainability, disaster risk mitigation should be included and costed as indeed should there be scope for a more strategic pipeline of evaluations in anticipation of emerging policies and strategies.
- (c) The call upon additional, extraordinary funding sources should be minimalised as this impedes on OIE's independence e.g. in the choice of its evaluation topics and cross-cutting themes, and being overly dependent on such sources.
- (d) OAC and CDB would do well to reflect on expectations compared with the capacity of the evaluation function within the CDB context. The Evaluation Policy should be reviewed and may need to be modified to better reflect the reality of CDB context and resources.

ON STRENGTHENING EVALUATION PROCESSES AND PRODUCTS TO IMPROVE USE

3.06 Processes

- (a) During 2015, OIE has been able to deliver some of its *independent evaluation reports* to OAC in a *timelier* manner.
- (b) However, the Panel finds that as a general rule, the processes in place for reviewing report drafts are overcomplicated and inefficient. As such, the processes themselves are challenging OIE's independence as they have been shown to inhibit timely reporting.
- (c) The timely delivery of the PCR Reviews (validations) remains a challenge and there is an accumulating backlog.
- (d) There is no systematic record keeping system in place within CDB to track lessons learned or the uptake of recommendations (or actions agreed by OAC or CDB management). In short, a knowledge management system is underdeveloped.
- (e) The Evaluation Policy specifies the need for OIE to perform knowledge brokerage - "distilling evaluation findings and lessons learned in appropriate formats for targeted audiences both within and outside the CDB" (p.19). Such a targeted communication strategy is, as yet, underdeveloped.
- (f) An established Quality Assurance Unit is lacking in CDB. The lack of such a unit, distinct

from OIE, is a weakness that is recognised but has not been adequately resolved.

3.07 Recommendations

- (a) The process for reviewing draft copies of the evaluation report and finalising of the management response should be made more efficient as a matter of urgency.
- (b) CDB should simplify the self-evaluation process to encourage timelier reporting.
- (c) Processes should be put in place to manage the knowledge gained and lessons drawn from evaluations.
- (d) OIE should develop its knowledge brokerage function: getting the relevant messages from evaluations to the “right” groups of stakeholders and in an attractive format would help increase the utilisation of evaluation.
- (e) Using Evaluation Advisory or Consultative Groups to follow OIE’s high-level independent evaluations would greatly enhance evaluation’s usefulness and improve learning. This helps engage key members in the evaluation process (enhances understanding) and adds value to the evaluations. In turn, evaluations can benefit from members’ expertise, insight and networks.
- (f) CDB’s senior management should establish a Quality Assurance System in the operations area as a priority. It should cover all stages from quality at entry, supervision through to completion. This would help strengthen its M&E and, in turn, assure a better basis for OIE’s independent evaluations.

Product quality

- (a) The Panel considers that in the main, OIE’s independent reports are well structured and evidence-based. Their quality is variable; in part this is due to the limited availability of rigorous data, particularly in the BMCs, as well as to many types of delays.
- (b) The depth and detail of the PCR Reviews (validation reports) make them rich, but also difficult to read.
- (c) OIE’s time commitment on such reports is disproportionate in relation to its other tasks. This is partly due to the sometimes-lengthy exchanges between OIE and Operations to agree on the validation reports.

Recommendations

- (a) CDB management should reinforce current efforts to resolve poor documentation and data issues.
- (b) OIE should strive to improve the quality and readability of its evaluation products, credibly linking evaluation findings with conclusions and recommendations.

ON PROMOTING A CONDUCTIVE ENVIRONMENT FOR IMPROVING EVALUATION USE

3.08 OIE has adopted a ‘utilisation-focused’ approach emphasising the learning function of evaluation and the need to share knowledge and experiences. This strategy is in keeping with OAC’s priority for OIE. CDB itself, as with all other MDBs, is searching for better ways to meet the complexities of development. Hence there is an interest in learning and sharing knowledge about what works. This implies balancing accountability and learning; making sure they are not seen as opposites, but as complementary objectives. This greater emphasis on learning in the development field suggests a need for openness to the constructive criticism that evaluation can offer.

- (a) The Panel is of the opinion that, although CDB has been engaged with evaluation for more than two decades³⁶, a learning and evaluation culture within CDB is weak. This is attributable to a number of factors, mainly that;
 - (i) there is the very real problem of time restrictions and workload, which is a basic constraint to learning,
 - (ii) criticism is not necessarily perceived by operations staff as an opportunity for learning and improvement; some even see evaluation more as a bureaucratic control mechanism to support *accountability*.

Recommendations

- (a) CDB senior management should strengthen its leadership role in building and learning from an evaluation culture. It should ensure there are timely management responses to draft evaluation reports, as well as enable OIE’s timely submission of evaluation reports to OAC.
- (b) OIE should continue its work with CDB management and staff on promoting a better understanding of, and support for evaluation in CDB. OIE should strengthen its knowledge broker and critical friend roles, ensuring stronger links between independent and self-evaluation, seeing that lessons from evaluation are communicated widely and that evaluation capacity in CDB is enhanced. OIE with CDB management should put in place a system for tracking actions taken in response to evaluation recommendations and the lessons drawn.

³⁶ An evaluation function was already in existence within CDB from the 1990s: OIE is a more recent development.



Review of the
Office of Independent Evaluation
Caribbean Development Bank

Approach Paper

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1. Background and Context

Evaluation work at the Caribbean Development Bank (CDB) has been ongoing since the early 1990s, although initially it was mainly focused on the ex-post evaluation of projects. However, in 2011, the CDB reviewed its evaluation system to bring it up to date with the good practices of development organisations. In December that year, it produced its comprehensive Evaluation Policy (December 2011) setting out the aim and objectives and guiding principles for CDB's evaluation system. The policy describes the different types of evaluation to be undertaken – differing between self- and independent evaluations – and details the institutional roles, responsibilities and procedures for the conduct of evaluations from prioritisation of topics to reporting, to following up on utilisation of the results.

The 2011 Evaluation Policy also provides for the establishment of the Office of Independent Evaluation (OIE). Its main objective is to provide “CDB's Board of Directors, President, Advisory Management Team, CDB staff and other stakeholders and partners with timely, credible and evidence-based information on the relevance and performance of CDB's projects, programs, policies and other development activities.” (Evaluation Policy, 2011, p. 1). According to the Evaluation Policy, the OIE has strategic and operational independence for the execution of evaluation activities. Functionally, OIE reports directly to CDB's Board of Directors (BoD), however, in practice reporting is done through the Audit and Post-Evaluation committee (APEC)¹, with oversight by the President on administrative matters.

In mid-2014, a new Head of the OIE was appointed and, following an initial learning period some changes to institutional procedures were either recommended or immediately put into place. For example, the OIE Strategy and a new 3-year rolling work plan were introduced from the beginning of 2015, replacing the previous work program. As part of his review, in the 2015 work plan, the Head of OIE initiated a peer review of the OIE's function. It was originally anticipated that such an assessment could be done by the Evaluation Cooperation Group (ECG) as part of the OIE's application for ECG membership. This did not prove possible, since the CDB's operation is considered too small for such membership. A review has therefore been commissioned to independent evaluation consultants who are particularly knowledgeable and experienced in the management of internal evaluation units and improving the use and utility of evaluations across a range of organisations.

2. Purpose, Scope and Core Questions

2.1 Review Purpose and Objectives

According to the OIE's Scope of Work² for this review, its main purpose is *to highlight the strengths and weaknesses of current practices with a view to recommending improvements*. The specific objectives are as follows:

- (a) Assess the adequacy of the Evaluation Policy, governance mechanism and safeguards for the independence of OIE.
- (b) Assess the quality and usefulness of OIE's Strategy, Work Programme and evaluation

¹ The APEC is an advisory committee to the BoD and, to reflect its wider responsibilities and assure at least one meeting per year with the Head of the OIE, the APEC's Terms of Reference were amended by BoD at its meeting in October 2015, and the name was consequently changed to the Oversight and Assurance Committee (OAC).

² Scope of Work for the Review of the Office of Independent Evaluation at CDB, Appendix 3, p.1, “OIE 2015 Work Program Status and Appendices,” July, 2015

- (c) products and services considering good practice standards and their contribution to accountability and learning.
- (d) Assess the adequacy of available resources, capacities and capabilities of OIE – including the resourcing (budgeting) process.
- (e) Provide recommendations to improve, inter alia, the Evaluation Policy, independence, quality, visibility and any other aspect of the evaluation practice. “

2.2 Core Questions to be addressed

OIE has set out five areas of inquiry which relate to its “*strategic and operational independence, the relevance of its work in relation to CDB’s strategic plan, the quality and usefulness of its activities, the quality of its relationships, communication and networking activities, and the adequacy of its human and financial resourcing.*”

For our Review, we have used the above information to formulate our key questions as follows:

- In practice, to what degree is OIE “independent” at the strategic, functional and operational levels? Which measures help or hinder such independence?
- To what extent is the OIE achieving its two strategic objectives? How useful are the OIE’s procedures and products towards this end?
- How adequate are the financial and human resources of OIE for carrying out its tasks and achieving its objectives?
- How effective is OIE in relating with its BoD and internal partners to develop evaluation capacity³?

2.3 Scope of the Review and Limitations

OIE has asked the Review to focus on evaluation activities for the four year period 2012-15, with specific attention to the period June 2014 to December 2015. In particular, for this period, it will concentrate on the strategic role of OIE within CDB, as well as its functional and operational roles and responsibilities.

In line with OIE’s Scope of Work document, this exercise is planned as a review and not a fully-fledged evaluation; there is limited time and resources available for the exercise and a “light” review is in keeping with the spirit of OIE’s “Scope of Work”. For example, the Review will not be able to carry out any in-depth analysis of documents or consult with country level stakeholders, and contact with other external sources of expertise will be limited.

Nevertheless, the Review Panel feel confident in being able to address the issues raised in the Scope of Work set out by OIE and in providing an evidence-based response.³

³ For more explanation, see Läubli Loud, M. chapter in “Enhancing Evaluation Use: Insights from Internal Evaluation Units”, M. Läubli Loud and J. Mayne (eds) 2014, Sage publications.

3. Review's Governance Structure

The external Reviewers will report their findings in a first draft to the following persons/groups in the following order:

- (1) The Head of OIE and staff
- (2) CDB Senior Management
- (3) Members of OAC

Each will be asked in turn to comment on the report and, where necessary, to correct any factual errors. Authorship of the final document, however, is entirely the responsibility of the Principal Reviewer, Marlène Läubli Loud.

The final report of the Review's findings and tentative recommendations will be presented for discussion to CDB's BoD at its meeting in March 2016 by the Principal Reviewer. A copy of the Final Review Report will be disseminated to the BoD, Senior Management, and OAC members who in turn will, at their level, be responsible for following up on the recommendations for improvement of the independent evaluation function at CDB.

4. Approach, Judgment Criteria and Methods

4.1 Approach: Guiding Principles

In 2009 the ECG approved a "review framework of the Evaluation Function within MDBs" To our knowledge, only the International Fund for Agricultural Development (IFAD) and the African Development Bank (AfDB) have requested a peer review in relation to that framework.

Peer Reviews in the UN agencies, however, have a much longer (since 2005) and broader experience (10+ agencies have undergone a first generation peer review and there are plans at hand for eight second generation reviews)⁴.

The report on **Lessons Learned – A Study of Peer Reviews of UNEG Evaluation Functions**⁵ highlights the strengths and weaknesses of peer reviews, but in particular found that evaluators tend to approach peer reviews as evaluations rather than as a peer exchange of experiences.

- With this in mind our approach shall be guided by an understanding that the **Review is a mutual learning process, an exchange on good practices between professionals**. It should serve as a capacity building exercise both for the OIE and for the CDB at large.

Equally, we shall draw on the guiding principles of the ECG's Review Framework⁶ as follows:

Commitment: This requires that there are financial and human resources earmarked for the Review. It also needs the engagement and commitment of OIE, as well as its consultative body, the OAC, to provide guidance and access to data throughout.

⁴ 16th Meeting, 12-13 February 2014, Document 8 "Update on Peer Reviews Evaluation Function" DAC Network on Development Evaluation, OECD, p. 1. Julia Brümmer and Ian C. Davies.

⁵ 16th Meeting, 12-13 February 2014, Document 8 "Update on Peer Reviews Evaluation Function" DAC Network on Development Evaluation, OECD, p. 1. Julia Brümmer and Ian C. Davies.

⁶ ECG's Review Framework for the Evaluation Function in Multilateral Development Banks (May 2009).

Mutual trust: Since we are guided by a collegiate, learning approach, mutual trust is an essential element for the Review's success. This is needed to break through any barriers to engage participation and the sharing of data, information and relevant documents,

Credibility: Our approach will be objective, fair and consistent. Equally, CDB and its senior management will support the independence, transparency and values of the Review process.

Furthermore, whilst the "ECG's Evaluation Standards and Good Practices" will be used as a reference for the Review, comparisons will be tempered bearing in mind:

- (a) The modest size of CDB and OIE compared to other MDBs and their central independent evaluation units.
- (b) OIE has only been established as an independent office since December 2011.
- (c) The experience, capacity and capability of APEC / OAC members to oversee the evaluation function.
- (d) OIE's internal and external relationships particularly with regard to CDB's Risk, Integrity and Internal Audit entities.

4.2 Judgment Criteria and Indicators (to be further developed during the review process)

Judgment Criteria	Indicators
Governance and Independence of Evaluation Function	Adequate budget and human resources to meet work plan Budget independent from operational budgets Budget includes funds to support evaluation communications Independence of evaluation function Clear Reporting lines between CDB senior management and OIE CDB Senior Management support and commitment to evaluation function
Credibility	Evaluation processes and tools are institutionalised ⁷ . Evaluation processes and tools reflect quality and ethical standards and good practices of relevant professional organisations Evaluations provide useful and useable information and recommendations Perceived quality/credibility by management/governing bodies
Use and Usefulness	<i>In relation to CDB corporate planning and strategy, relevance and adequacy of issues / themes covered in evaluations as set out in OIE’s three-year programme 2015-17</i> Timely reporting and dissemination of evaluations Timely completion of studies / work plan Participatory approach to evaluation Targeted communication strategy including publications available in public domain Integration of evaluation recommendations / findings into CDB strategy, programmes, projects Evaluation System linked into other relevant systems e.g. project / programme design and management, quality assurance procedures, knowledge management etc.

4.3 Methods

The Review will draw on several methods to collect and analyse data. The main methods will rely on documentary review, interviews, group discussions, an on-line questionnaire, a comparison with relevant others’ evaluation standards and good practices including the Review Panel’s own knowledge base; and the triangulation of methods or sources. Qualitative data will be managed by Dedoose⁸. software.

- A number of documents that are relevant to the understanding and appraising OIE’s performance will be selected by the Reviewer in consultation with the Head of OIE and other members of the Review Panel.

⁷ For more explanation, see Läubli Loud, M. chapter in “Enhancing Evaluation Use: Insights from Internal Evaluation Units”, M. Läubli Loud and J. Mayne (eds) 2014, Sage publications

⁸ Dedoose is a research software suite developed by the University of California (UCLA) for mixed method data management, extraction and coding, and analysis.

- A maximum number of 30 people will be interviewed using Skype technology for those residing outside of Barbados, face-to-face interviews and/or group discussions with senior managers in Barbados. This will include past and present members of the APEC/OAC for the period 2011 to 2015, the President, Vice Presidents and Heads of Corporate Planning, Finance Department, Project and Economic Departments, the Economic Infrastructure, Social Sector and Technical Cooperation Divisions, as well as the Director and Deputy Director of the Economics Department and Research Unit. The Advisors of the crosscutting thematic areas of Climate Finance, Gender Equality and Renewable Energy will also be interviewed.
- Subject to the agreement of interviewees, wherever possible and practical, interviews will be recorded and analysed using the Dedoose software package.⁹ Notes will be taken by the interviewer to supplement the recordings. The recordings will be coded to exclude any reference to specific names so that the data is kept strictly confidential and available only to the Review Panel. The recordings remain the property of the Principal Reviewer and will be destroyed within three months after completion of contract. The Principal Reviewer will use the recordings to analyse and extract data relevant to the key questions under study. The Dedoose data management package will be used to manage the extracted data according to the various analysis categories.
- Data from the different sources and methods and their analyses will be compared and contrasted (triangulation).
- A comparison of “significant others” documents on evaluation standards and good practices (e.g. Evaluation Cooperation Group’s Review Framework for the Evaluation Function in Multilateral Development Banks, OECD / DAC quality standards) will be compared with CDB’s OIE processes and products bearing in mind, however, that CDB has limited resources to support its tasks and responsibilities. This work will be complemented by the Review Panel’s own experience and knowledge base.

⁹ Philip Mayring (2002) Qualitative Inhaltsanalyse in Einfuehrung in die qualitative Sozialforschung Vol 1, No. 2 Forum Qualitative Sozialforschung.

OIE PRACTICE COMPARED WITH ECG GOOD PRACTICE STANDARDS ON INDEPENDENCE

OIE ORGANISATIONAL INDEPENDENCE COMPARED WITH ECG RECOMMENDATIONS		
Aspects	Indicators	CDB Evaluation Policy and Practice
The structure and role of evaluation unit	Whether the evaluation unit has a mandate statement that makes clear its scope of responsibility extends to all operations of the organisation, and that its reporting line, staff, budget and functions are organisationally independent from the organisation's operational, policy, and strategy departments and related decision-making.	Complies - CDB's Evaluation Policy generally responds to these points and is broad enough to cover the full range of MDB type of evaluations. However, in practice, OIE is constrained by budget, financial and resource limitations and restrictions.
The unit is accountable to, and reports evaluation results to, the head or deputy head of the organisation or its governing Board	Whether there is a direct reporting relationship between the unit, and a) the Management, and/or b) Board or c) relevant Board Committee, of the institution	Complies - OIE reports to BOD through its OAC
The unit is located organisationally outside the staff or line management function of the program, activity or entity being evaluated	The unit's position in the organisation relative to the program, activity or entity being evaluated	Complies - OIE is located outside, and is therefore independent of CDB line management
The unit reports regularly to the larger organisation's audit committee or other oversight body	Reporting relationship and frequency of reporting to the oversight body	Complies - OIE reports five times per year to OAC. Board approval for an additional executive meeting between the Head of OIE and OAC at least once per year was given in October 2015
The unit is sufficiently removed from political pressures to be able to report findings without fear of repercussions	Extent to which the evaluation unit and its staff are not accountable to political authorities, and are insulated from participation in political activities	Complies
Unit staffers are protected by a personnel system in which compensation, training, tenure and advancement are based on merit	Extent to which a merit system covering compensation, training, tenure and advancement is in place and enforced	Complies – Staff are administered under the provisions of CDB HR policy. Accordingly, the Panel understands that compensation, training, tenure and advancement are based on merit.
Unit has access to all needed information and information sources	Extent to which the evaluation unit has access to the organisation's a) staff, records, and project sites; b) co-financiers and other partners, clients; and c) programs, activities, or entities it funds or sponsors	Complies – The available evidence suggests that there is no reason to doubt such access. But systematic and easily accessible documentation is lacking in CDB; it is one of its weak points. Region-wide weaknesses in M&E and statistical capacities are broadly acknowledged. Readily accessible information, data and documentation is in short supply, or out of date. This can constrain the timely delivery of evaluations.

OIE AND FUNCTIONAL INDEPENDENCE

Aspects	Indicators	CDB Evaluation Policy and Practice
Ability and willingness to issue strong, high quality, and uncompromising reports	Extent to which the evaluation unit: (a) has issued high quality reports that invite public scrutiny (within appropriate safeguards to protect confidential or proprietary information and to mitigate institutional risk) of the lessons from the organisation’s programs and activities; (b) proposes standards for performance that are in advance of those in current use by the organisation; and (c) critiques the outcomes of the organisation’s programs, activities and entities.	Partially complies – OIE is willing to support the production of high quality and uncompromising reports. The paucity of data and documentation sometimes hinder the quality of reports.
Ability to report candidly	Extent to which the organisation’s mandate provides that the evaluation unit transmits its reports to the Management/Board after review and comment by relevant corporate units but without management-imposed restrictions on their scope and comments	Complies.
Transparency in the reporting of evaluation findings	Extent to which the organisation’s disclosure rules permit the evaluation unit to report significant findings to concerned stakeholders, both internal and external (within appropriate safeguards to protect confidential or proprietary information and to mitigate institutional risk). Who determines evaluation unit’s disclosure policy and procedures: Board, relevant committee, or management.	Partially complies - OIE’s conforms to CDB’s disclosure policy. Whilst all reports are submitted to the Board, there were very few published on the website at the time of our Review. This may well be due to the fact that this aspect is still under development. At present, dissemination of all evaluation reports are limited to CDB and BOD. <i>N.B.</i> Reporting and dissemination of evaluation findings is only one part of making evaluation useful. Engagement in how to use the findings is important. A more targeted communication strategy to include and engage other key stakeholders, e.g. project implementers in the BMCs is yet to be developed and put in place.
Self-selection of items for work program	Procedures for selection of work program items are chosen, through systematic or purposive means, by the evaluation organisation; consultation on work program with Management and Board	Partially Complies - OIE is independent in its choice of studies, themes and methodologies, but within budgetary constraints. In accordance with good practice, OIE ensures that its work programme is drawn up after consultation with both CDB Management and Board to seek their input on relevant topics and themes. However, in practice, the choice is also limited by a narrower range of sectors in which CDB is engaged and the comparatively smaller size and scale of CDB’s lending portfolio. OIE’s administrative budget is underfunded and it therefore has to seek funds from other funding sources on a project by project basis.
Protection of administrative budget, and other budget sources, for evaluation function	Line item of administrative budget for evaluation determined in accordance with a clear policy parameter, and preserved at an indicated level or proportion; access to additional sources of funding with only formal review of content of submissions	Partially complies - The annual administrative budget for supporting OIE work is protected, but inadequate. Regular resort to alternative funding sources is necessary on a project by project basis and submissions have to comply with the relevant funding body’s policy and regulations.

OIE AND ITS INDEPENDENCE FROM EXTERNAL INFLUENCE OR INTERFERENCE

Aspects	Indicators	CDB Evaluation Policy and Practice
Proper design and execution of an evaluation	Extent to which the evaluation unit is able to determine the design, scope, timing and conduct of evaluations without Management interference	Complies – however within limits of restricted human and financial resources available.
Evaluation study funding	Extent to which the evaluation unit is unimpeded by restrictions on funds or other resources that would adversely affect its ability to carry out its responsibilities	Partially complies - OIE must work within the limits of the agreed administrative budget wherever possible. If additional resources are needed for studies it must seek alternative funds elsewhere (e.g. SDF). The Panel has recommended that current funding arrangements be reviewed and has suggested how improvements might be made.
Judgments made by the evaluators	Extent to which the evaluator’s judgment as to the appropriate content of a report is not subject to overruling or influence by an external authority	Complies – the evidence available suggests that the Board and Management accept the evaluators’ independent interpretation and conclusions. Management responses are agreed to be the accepted place to raise any difference of opinion.
Evaluation unit head hiring/firing, term of office, performance review and compensation	Mandate or equivalent document specifies procedures for the: (a) hiring, firing, (b) term of office, (c) performance review; and (d) compensation of the evaluation unit head that ensure independence from operational management	Complies – the Head of OIE is appointed by the CDB President in agreement with the OAC for a five year period which is renewable x 1. The Head could be removed from Office by the President or the Board but only with the agreement of both parties. However the Head reports to the President for all administrative and personnel matters. Although this was not recommended by the external review of the independence of the EOJ (Osvaldo Feinstein & Patrick G. Grasso, 2011), it was accepted by the BoD since most of the OAC are non-resident Board Members.
.	Extent to which the evaluation unit has control over: (a) staff hiring, (b) promotion, pay increases, and (c) firing, within a merit system	Complies – Under the terms of CDB’s HR Policy, all OIE staff members are treated in the same way as other CDB staff.

OVERVIEW OF OIE's EVALUATION PRACTICE

(Prepared by OIE in Response to Reviewer's Request)

<i>Category</i>	<i>Response</i>
Percentage of projects subject to project (<i>self-</i>) evaluation	100% - Project Completion Reports (PCR)
Percentage of projects subject to validation by OIE	Approximately 40-50% <i>About 15 projects exit portfolio annually. Evaluation Policy calls for all PCR to be validated. However, OIE resources insufficient. Validation process reviewed in 2014. Now OAC (Board committee) selects a sample of 6-8 PCR for validation each year.</i>
Percentage/number of projects subject to in-depth review by OIE	None – unless specifically requested by OAC <i>Due to limited resources, focus of OIE evaluation work programme is on PCR validations and high-level evaluations – including country strategy and programme evaluations (CSPE).</i>
Number of high-level evaluations conducted by OIE (e.g. sector, thematic, geographic)	1-2 per year since 2011 <i>Plan is 2-4 per year from 2016. This would include CSPE (1st planned for Q1 2016: Haiti)</i>
Number of project impact evaluations conducted by OIE	None <i>OIE includes “impact questions” in high-level evaluations.</i>
Number of project impact evaluations conducted by Bank staff or other non-OIE staff	OIE is not aware of any impact evaluation conducted by the Bank. <i>However, OIE provides technical support to the Basic Needs Trust Fund (BNTF) in its design of an M&E framework that entails impact evaluations.</i>
Budget	In USD mn: 0.78 in 2015; 0.82 in 2016. This is equivalent to about 2.5% of total CDB Administrative Budget. <i>75% of the budget is for Staff salaries (4 Professionals, 1 Support staff), leaving around USD190,000 (in 2015) for other expenses, including consultants e.g. for external evaluations. Additional funding is accessed via the Special Development Fund (SDF). This varies according to type and scope of the evaluation, e.g. the ongoing SDF 6/7 Evaluation is SDF funded at USD255,000.</i>
Budget determined by	Board, not separate from administrative budget. <i>SDF funding for evaluations is considered separately and subject to Bank internal approval process. SDF funding cannot be used to cover OIE expenses such as staff time or travel. Country eligibility for SDF funding is also a consideration. OIE expressed concerns about this funding track in respect to predictability, independence and eligibility limitations.</i>
Head of OIE reports to	Board, with administrative link to the President
Terms of appointment for Head	Five year term, renewable once. Appointed by the President with the agreement of the Board.
Right of Return for Head	Not eligible for other staff positions.
Consultants as proportions of OIE budget	2015: 19% (USD 145,000) <i>Plus SDF funding. SDF funded evaluations are outsourced.</i>
Last external evaluation (<i>or peer review</i>) of OIE	No external evaluation, though a review of the function was done in 2011, leading to the Evaluation Policy. <i>OIE External Review completed in April, 2016</i>
Departments or special programmes supporting impact evaluation	None

TABLE: OIE ADMINISTRATIVE BUDGET OVERVIEW

	Approved 2015	Revised Budget 2015	Proposed Budget 2016	Indicative Budget 2017
Staff Costs				
Salaries and Allowances	<i>not included in this table, provided in budget document</i>			
Other staff costs	5,000	2,000	2,000	2,000
Other Expenses				
Travel	40,000	45,000	65,000	80,000
Communication	2,000	2,000	2,000	2,000
External Consultants	145,000	217,170	190,000	205,000
Entertainment	1,500	1,500	2,000	2,000
Miscellaneous	1,000	1,000	1,000	1,000
Total Admin Budget	194,500	268,670	262,000	292,000

LIST OF PERSONS INTERVIEWED

Name	Function relative to OIE	Type interview
Mrs. Colleen Wainwright	Member CDB Board of Directors (UK)	Face to face
Mrs. Cherianne Clarke	Alternate Member CDB Board of Directors (UK)	Face to face
Mrs. Jean McCardle	Member CDB Board of Directors (Canada)	Face to face
Dr. Louis Woodroffe	Member CDB Board of Directors (Barbados)	
Mr. A: de Brigard	Former Member CDB Board of Directors	Skype interview
Mr. H. Illi	Former Member CDB Board of Directors	Telephone interview
Mrs. Claudia Reyes Nieto	Member CDB Board of Directors	Telephone interview
Mr. Bu Yu	Alternate Director CDB Board of Directors	Face to face
Mr. Michael Schroll	Head, OIE	series of interviews via Skype and face-to-face
Mr. Mark Clayton	OIE Senior Evaluation Officer	Focus Group
Mrs. Egene Baccus Latchman	OIE Evaluation Officer	
Mr. Everton Clinton	OIE Evaluation Officer	
Mrs. Valerie Pilgrim	OIE Evaluation Officer	
Mrs. Denise Padmore	OIE Administrative Assistant	
Dr. Justin Ram	CDB Director, Economics Department	Face to face
Mr. Ian Durant	CDB Deputy Director Economics Department	Face to face
Dr. W ^m Warren Smith	CDB President	Joint interview Face to face
Mrs. Yvette Lemonias-Seale	CDB Vice President Corporate Services & Bank Secretariat	
Mr. Denis Bergevin	CDB Deputy Director, Internal Audit	
Mr. Edward Greene	CDB Division Chief, Technical Cooperation Division	Face to face
Mrs. Monica La Bennett	CDB Deputy Director Corporate Planning	Face to face
Mrs. Patricia McKenzie	CDB Vice President Operations	Face to face
Ms. Deidre Clarendon	CDB Division Chief, Social Sector Division	Face to face
Mrs. Cheryl Dixon	CDB Co-ordinator, Environmental Sustainability Unit	Focus group
Mrs. Denise Noel- Debique	CDB Gender Equality Advisor	
Mrs. Tessa Williams-Robertson	CDB Head Renewable Energy	
Mrs. Klao Bell-Lewis	CDB Head Corporate Communications	Face to face
Mr. Daniel Best	CDB Director, Projects Department	Face to face
Mr. Carlyle Assue	CDB Director Finance Department	Face to face

LIST OF DOCUMENTS REVIEWED**OAC Papers**

Title	Date
Supplementary Minutes of APEC / OAC meetings	From October 2012 to July 2015 (N= 11)
APEC / OAC Chairperson's Reports to CDB Board	From May, 2012 to December 2015 (N=15)

OIE Papers

Title	Date
OIE Work programme and budget, 2012-2014	October, 2012
OIE Status of 2014 Work programme and proposed work programme 2015	September, 2014
OIE Work programme and budget 2014	November, 2014
OIE Status of 2015 work programme	March, 2015
OIE Status of 2015 work programme update	May, 2015
OIE Status of 2015 work programme and proposed 2016/17 budget and work programme	October, 2015
OIE Status of 2015 work programme update	December, 2015
OIE Annual Report (2015) and planned work programme (2016)	December, 2015
Guidelines and Methodology for Validation of Implementation Project Completion Reports	June, 2013
Protocol for CDB Management's Consultations with the OIE: Review of Evaluation Reports and Learning Products	April, 2015
OIE Power point presentations to OAC meetings	2014 (N=2) & 2015 (N=5) meetings
OIE presentation to CDB staff "60 minutes with OIE" on how to review evaluation reports	2015
Curriculum vitae of all OIE Head and staff (past and present) (N=6)	

CDB Papers

Title	Date
Organisational Structure CDB	January, 2015
Multilateral Aid Review (MAR) on CDB – update 2013 progress rating	2011, 2013
Consultancy Review of the Independence of the Evaluation and Oversight Division of the CDB (Osvaldo Feinstein & Patrick G. Grasso) together with Management Response	May, 2011
Minutes of the BOD 247 th meeting in response to the Consultancy Review on CDB Evaluation Independence	July, 2011
CDB Information Disclosure Policy	October, 2011
CDB Evaluation Policy	December, 2011
Review of the CDB Agenda for Managing for Development Results (3 rd negotiation meeting re SDF)	July, 2012
Report of Governance Reform Committee to the BOD	July, 2014

OIE Reports (N = 24) (listed in Table 1 in the main body of the Review Report)**CDB Manuals**

Title	Date
Performance Assessment System (PAS) Manuals Volumes I to III Together with agreed amendments of October 2011 Training Debriefing.	October, 2013
Guidelines for PCR/V	June, 2012
PCR Quality Checklist and PCVR Process and Template	April, 2015
Quality at Entry Country Strategy Guidance Questionnaire	August, 2012
Quality at Entry Private Sector Lending & Lines of Credit Guidance Questionnaire	November, 2012
Quality at Entry Policy-Based Lending Guidance Questionnaire	August, 2012
Quality at Entry Public Sector Investment Lending Guidance Questionnaire	April, 2013
Quality at Entry Technical Assistance Intervention Guidance Questionnaire	April, 2013

General Background Documents

Title	Date
Evaluation Cooperation Group (2009) “Review Framework for the Evaluation Function of Multilateral Development Banks”	March, 2009
Evaluation Cooperation Group (2012) “Good Practice Standards for the Evaluation of Public Sector Operations”	February, 2012
Evaluation Cooperation Group (2012) “Big Book on Evaluation Good Practice Standards”	November, 2012
External Review of the Independent Evaluation Group, WBG	June, 2015
Davies, E. (2014) “External Quality Assessment of the Evaluation Function at WIPO – IAOD”	June, 2014
Centre for Development Impact Practice Paper “Improving Quality: Current Evidence on What Affects the Quality of Commissioned Evaluations”, No. 09	March, 2015
Picciotto R. (2008) An Independent Assessment Prepared for IADCI on Evaluation Independence at DfID	August, 2008
Davies, I. & Brümmer, J. (2013) “Report on Lesson-Learned Study of Peer Reviews of UNEG Evaluation Functions”	May, 2013
Peer Review Report of the 2 nd Professional Peer Review of the GEF Evaluation Function	2014
Report to US Congress on Evaluation Standards and Practices at the Multilateral Development Banks	September, 2014

INTERVIEW GUIDE

MEMBERS OF CDB BOARD OF DIRECTORS (*Sent in Advance of Interview*)

Below is a list of themes that I should like to raise with you based on your experience and knowledge of CDB's independent evaluation function (Office of Independent Evaluation).

In each case, I should be grateful if you could illustrate your responses with examples or help this Review by, wherever possible, sending me (or telling me where I can find) any documents that could support your responses.

This guide is being sent to you in advance to help prepare our meeting. However, our interview will be conducted more in the style of a conversation. The following sub-questions will be used to GUIDE the interview. Please feel encouraged to raise any additional issues that you feel we should take into account

On the governance and Independence of CDB's evaluation function

- (a) What mechanisms are there in place to support its independence?
- (b) How satisfactory are the current arrangements in your opinion?
- (c) How is the balance between independence and the need for interaction with line management dealt with by the system? For example, what mechanisms exist to ensure that the OIE is kept up to date with decisions, policy / programme changes, other contextual changes etc that could have an affect on OIE evaluation studies / evaluation planning?

On the OIE's Evaluation Policy

- (a) The CDB's Evaluation Policy was established in 2011. To what degree do you feel it is adequate? Still relevant?
- (b) What suggestions do you have for any improvements?
- (c) In your opinion, how adequate is the current quality assurance system for over viewing the evaluation function?

On the quality and credibility of evaluation studies

- (a) To what degree do you believe the reports are fair and impartial?
- (b) Do you consider them to be of good quality? Are they credible?
- (c) Are you adequately consulted/involved on evaluations of interest to you?

On the relevance and usefulness of evaluations

- (a) How well does the OIE **engage with you / your committee** during the preparation, implementation and reporting of an evaluation study to assure that it will be useful to the CDB?

- (b) How are the priorities set for the independent evaluations? What criteria are used? Are you satisfied with the current procedure?
- (c) When OIE evaluation studies are outsourced to external consultants, what criteria are used to make this decision?
- (d) How are the priorities for OIE's three-year rolling work plan agreed? In your opinion, is the current plan adequate in terms of coverage and diversity?
- (e) In your opinion, do the evaluations address important and pressing programs and issues?
- (f) To what extent do you feel that the OIE's evaluations integrate the cross-cutting theme such as gender, energy efficiency/renewable energy, climate change? What improvements might be made and how?

On the dissemination and uptake of evaluation findings and recommendations

- (a) To what extent do you feel that evaluation findings are communicated to CDB and its stakeholders in a useful; (ii) constructive; and (iii) timely manner?
- (b) Are evaluation recommendations useful? Realistic?
- (c) What mechanisms are in place to assure that evaluation results are taken into account in decision making and planning? What improvements do you feel could be made?
- (d) How have you used the findings from any evaluations? Examples?
- (e) To what degree do you feel that evaluation contributes to institutional learning? What about to institutional accountability? Any examples?
- (f) What mechanisms are in place to ensure that knowledge from evaluation is accessible to CDB staff and other relevant stakeholders? Are the current arrangements satisfactory?
- (g) How satisfied are you with current arrangements? What expectations do you have for the future?

On resources

- (a) How is OIE resourced financially and is this satisfactory?
- (b) What about the OIE staff, are all the important areas of expertise represented in the team?

On this Review of the Office of Independent Evaluation

- (a) What are your expectations? What are you particularly hoping to learn from it?

Thank you very much for your cooperation and input

INTERVIEW PRO-FORMA – CDB STAFF MEMBERS

This presents a list of the main topics raised during interviews. It was used to guide the open-ended discussion – this means that the sequence and exact wording of the questions may not necessarily have followed in this order or been asked in exactly this way.

- (a) Changeover to an Independent Evaluation Office? Expectations? Advantages and disadvantages?
- (b) Satisfaction with working relations between operations and the OIE from your perspective?
- (c) Process of dealing with the PCRs and CCRs? Advantages and limitations?
- (d) Quality and credibility of the validation process?
- (e) How are the self-evaluation reports used?
- (f) Credibility and quality of OIE's evaluation reports
- (g) Communication of self and OIE independent evaluations? To whom, in what way? Possible improvements?