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CARIBBEAN DEVELOPMENT BANK



**PEER REVIEW OF THE EVALUATION FUNCTION OF
THE CARIBBEAN DEVELOPMENT BANK'S
WITH MANAGEMENT RESPONSE (APPENDIX 1)**

FINAL REPORT

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OFFICE OF INDEPENDENT EVALUATION

MARCH 2024

PUBLIC DISCLOSURE AUTHORISED

Peer Review of the Evaluation Function of the Caribbean Development Bank



Final Report
March 2024

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Acronyms

BMC	Borrowing Members Country
BoD	Board of Directors
CED	Central Evaluation Department
DAC	Development Assistance Committee of OECD
DEC	Development Effectiveness Committee
DER	Development Effectiveness Review
ECG	Evaluation Cooperation Group
EOV	Evaluation and Oversight Division
HoE	Head of Evaluation
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
OAC	Oversight Assurance Committee
OECD	Organisation for Economic Co-operation and Development
OIE	Office of Independent Evaluation
PCR	Project Completion Report
PSR	Project Supervision Report
SDF	Special Development Fund
SFR	Special Funds Resources
ToR	Terms of Reference
UKCIF	United Kingdom Caribbean Infrastructure Partnership Fund
UNEG	United Nations Evaluation Group

Acknowledgments

We would like to express our appreciation for the invitation to conduct a peer review of the evaluation function at the CDB.

Given the current context of uncertainty and increasing economic, social, and environmental challenges, we truly believe that the evaluation function has the potential to play an essential role in assisting the Bank to fulfill its role and responsibilities. The steps outlined in this report will help release this potential.

We appreciate the stimulating and pleasant interaction with everyone we have met in-person and virtually during the review. In particular, we wish to express our sincere gratitude to OIE's Serena Rossignoli and Denise Padmore for the excellent organization, facilitation, and support in all aspects of our work.

March 2024

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Executive summary

This peer review examines the Caribbean Development Bank's (CDB) evaluation function, which consists of the self-evaluation of the operations and the independent evaluation conducted by the Office of Independent Evaluation (OIE). The main purpose of this review is to provide insight for the renewal of the 2011 Evaluation Policy, as well as to enhance the confidence in and use of evaluations by the Board and Senior Management, with the goal of strengthening the effectiveness, efficiency, and governance of the institution. This review was done using a mixed-methods approach that builds on good-practice principles established by the Multilateral Development Banks' (MDBs) Evaluation Cooperation Group (ECG), which emphasize independence, credibility, and utility.

Main findings

- 1) The constrained resources for the evaluation function yield negative consequences and undermine learning and accountability. For self-evaluation, one implication is the inadequate completion of Project Completion Reports (PCRs), with only 40% completed for the projects and loans that exited the portfolio in 2020 and 2021. This completion rate thus falls short of fulfilling the formal requirements and does not provide basic performance information regarding CDB's operations.
- 2) The resource constraints and incomplete staffing have limited OIE's possibilities to fulfill the mandate outlined in the 2011 Evaluation Policy. Despite these limitations, the office has been able to improve its performance, in particular when it comes to the evaluation processes.
- 3) The review of 16 evaluations completed between 2017 and 2023 shows that some aspects of quality are adequate across the board. However, there is room for improvement in other aspects of quality: evaluation reports are too lengthy, the scope is too broad, the operations knowledge is insufficient, and, in several reports, there is a lack of clarity in the recommendations.
- 4) The OIE work program in the period reviewed (2017-2023) has experienced a reduced relevance. It was developed without consulting with key stakeholders to ensure relevance and appears to be set without the Bank's current strategic priorities in mind. Furthermore, OIE follows a conventional approach to evaluations, commissioning two-to-three comprehensive evaluations per year.
- 5) OIE's product mix in the period reviewed has been incomplete to meet the needs of Management and the Board, due to its concentration on a few broad evaluations. A product mix that includes various forms of evaluative synthesis and just-in-time evaluations linked to strategic decision-making is expected to be more relevant.¹
- 6) Inadequate disclosure, communication, and dissemination limit the utility of the evaluations with all potential user groups. Moreover, accessing information in the reports is impeded by the limited use of infographics and other communication tools. Short evaluation briefs have only been made for a few evaluations.
- 7) Evaluations are perceived as relevant for staff directly involved in the processes, but delays in the completion of the evaluation and the management response weaken their relevance for other staff. While the quality of OIE's work is broadly recognized, the limited resources and the inadequate supportive learning culture cause delays, therefore conflicting with the 2011 Evaluation Policy objective to ensure that stakeholders are provided with timely information.

¹ The OIE work program 2024 proposes some new initiatives to broaden the product mix.

- 8) Evaluations are practically unknown to the full Board of Directors as such. They are not discussed at the full Board despite the request in the Evaluation Policy to do so.² Instead, the practice has been that only OAC discusses evaluation reports. However, the creation of the new board committee on development effectiveness with a specific mandate to oversee the evaluation system has the potential to reverse this pattern.
- 9) OIE's limited output regarding the number and mix of products, as well as its relative isolation from the rest of the organization have resulted in an overall lack of awareness regarding evaluations' potential to support learning and decision-making.
- 10) The decision-making process for OIE's budget does not follow good MDB practice. Usually, the budget for the independent evaluation function is decided separately from the budget for the rest of the organization, on the basis of a proposal from the head of the office regarding what is needed to fulfill the needs of the evaluation program. As the CDB does not differentiate its budget from that of the independent evaluation function, this may deter independence and the ability to develop necessary evaluation products and dissemination instruments.
- 11) The findings regarding the learning culture and OIE's learning role are mixed. While there are some exceptions, the general impression is that the CDB's culture resists change and innovation. OIE has a limited role in enhancing learning.
- 12) The 2011 Evaluation Policy has served an important role but needs revision. The policy was an important step in establishing an institutional evaluation function with self-evaluation and independent evaluation. However, over time the policy has shown weaknesses in clarifying the roles of the various actors involved in evaluations, the absence of time limits for the evaluation process steps including for reporting, management responses, follow-up, disclosure and dissemination, requirements for a correct understanding of independence, and providing sufficient resources for carrying out evaluations.

Conclusions

- A. Compared to the objectives of the 2011 Evaluation Policy and the standards agreed upon by the MDBs, the CDB's evaluation system and its independent evaluation function are presently not fulfilling their intended roles.
- B. The current lack of resources devoted to the evaluation function inhibits it from meeting its intended goals.
- C. OIE's current evaluation model is not optimal. Weaknesses in the commissioning model, evaluation quality, work program relevance, the dissemination of findings, and the use of a mix of evaluation modalities constrain the utility of evaluative work.
- D. The CDB's learning culture and evaluation expertise are underdeveloped.
- E. Independence is not fully understood. The process for deciding OIE's budget, the delays to produce management responses to the evaluations, and the critical role of management in influencing OIE is a symptom of an incomplete understanding of what independence implies.

² Ref. article 69 in the Evaluation Policy.

Recommendations

1. **Adequate resources should be provided to fulfill the requirements for self-evaluations and independent evaluations.**

Recommendation for the decision of the Board, with implementation by OIE and Management

In the case of self-evaluations, this implies providing training of operational staff to properly carry out PSRs and PCRs, prioritizing time management, and establishing a helpdesk function to assist the work, located either in Management or as a separate section in OIE. It also implies increasing management's efforts in producing and making available credible, accurate data related to all aspects of the Bank's operations.

For OIE, adequate resources would consist of filling the vacant positions (HoE and evaluation officer) with permanent staff. Furthermore, it implies reaching adequate staffing levels at all times to meet the responsibilities of the office. To complete these requirements, the Office needs a sufficient budget that would fully fund the approved work program.

2. **OIE should enhance the potential utility of its work.**

Recommendation to OIE with Management cooperation and the support and/or approval, as needed, by the Board

This includes rethinking the balance between independent evaluation and advisory support, changing its operational approach, adapting the mix of evaluation modalities, and narrowing the scope of its evaluations in line with the demand for evaluative evidence. To enhance potential utility, OIE should move away from today's fully commissioning model and towards a model with staff's direct involvement in the evaluation, while also incorporating a wide use of external consultants.

In addition, OIE should continue the process that has started in the 2024 work program in order to reduce the number and narrow the scope of corporate evaluations; develop its product mix to include process evaluations, synthesis reports and real-time evaluations; carry out advisory work vis-à-vis operations; provide quality assurance related to evaluation systems; and provide training to operational staff. Furthermore, OIE should issue an annual report with key messages and a summary of the evaluation work done during the year.

3. **The 2011 Evaluation Policy should be revised as soon as possible.**

Recommendation to OIE with Management cooperation and approval by the Board

The revision should include clear definitions and relevant terms on evaluation and the position and function of evaluation, clarification of the roles and responsibilities of the various actors involved in evaluations, enhancing the efficiency and independence of evaluation by specifying time limits for the evaluation process steps both when it comes to Management's validation of factual information, Management Response, reporting to the Board, disclosure, and requirements of sufficient resourcing for the evaluation function.

A supplement to the policy should be issued (either as a part of the policy or as a separate document) with concrete guidelines for how both self-evaluations and independent evaluations should be carried out following international good standards.

4. An evaluation advisory committee should be established to support the Head of Evaluation.

Recommendation to OIE with the support of the Board

The committee should consist of three evaluation experts with in-depth knowledge of the Caribbean region and the role of international finance institutions, with the main objective of providing reassurance that OIE is run in line with good practice standards and principles.

5. The work of the new Board's Development Effectiveness Committee (DEC) should be reviewed after one year, and then regularly.

Recommendation for the decision of the Board, with implementation by OIE with Management cooperation

The newly created Development Effectiveness Committee should undergo a review after one year of functioning to ensure it is on track to achieve its purpose and define final Terms of Reference. The current draft Terms of Reference can be further developed to, i.a., specify the responsibilities of the Committee to ensure it has sufficient time, resources, and knowledge to oversee OIE's work and products, and to provide relevant and timely information to the full Board and the Bank's member countries to improve the CDB's effectiveness in the Caribbean region.

1. Background

1.1 Introduction

This peer review examines the evaluation function at the Caribbean Development Bank (CDB). The purpose of this review is to provide insight for the renewal of the 2011 Evaluation Policy, and to enhance the confidence in and use of evaluations by the Board and Senior Management, in order to strengthen the effectiveness, efficiency, and governance of the institution.

The review is carried out³ in line with the Terms of Reference⁴ and the Inception Report,⁵ and follows recognized good practices as outlined by the Evaluation Cooperation Group of the Multilateral Development Banks (ECG),⁶ the OECD Development Assistance Committee (DAC), and the United Nations Evaluation Group (UNEG).⁷ Respondents are listed in Annex II.

The peer review panel⁸ sees the peer review as a signal of the Board's commitment to reshape the evaluation function to follow common MDB practice. The panel acknowledges the uniqueness of the CDB when it comes to the size of the institution and the institutional capacity of its member countries. The panel also understands that the purpose is not to duplicate the evaluation function from other MDBs, but rather to continue developing a function tailored to the CDB context, building on MDB good practice standards.⁹ These standards relate to the governance of the function, the evaluation principles and criteria, and how evaluation processes are carried out.

The review builds on the common definition of evaluation as, *"The systematic and objective assessment of a planned, ongoing or completed intervention, its design, implementation and results. The aim is to determine relevance, coherence, effectiveness, efficiency, impact, and sustainability. Evaluation also refers to the process of determining the worth or significance of an intervention. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into decision-making processes."*¹⁰

Independence, credibility, and utility are the key features of an effective evaluation function. Independence is understood as underpinning impartiality and ensuring that evaluators are able to provide credible reports and advice without being compromised. Independence does not mean isolation, as operations and evaluation activities are enriched through cross-fertilization of knowledge and experience. Credibility depends on the expertise and independence of the evaluators, the degree of transparency of the evaluation process, the appropriateness and rigor of the methods applied, and the quality and availability of data. Utility implies that evaluation processes and evaluation products are perceived as relevant, that the depth of the analysis is credible, and that the findings are presented in a clear and concise way.

³ Ref. the description of the methodology in Annex I.

⁴ CDB/OIE November 2023.

⁵ Peer Review Panel. December 15, 2023.

⁶ Ref. ECG Practice note #1.

⁷ UNEG Norms and Standards for Evaluation.

⁸ The Peer Review panel is presented in Annex III.

⁹ These standards are developed by ECG and are aligned with the evaluation standards of OECD/DAC and UNEG.

¹⁰ Ref. OECD/DAC (2022). Glossary of Key Terms in Evaluation and Results-Based Management.

1.2 Context

1.2.1 The Bank

The CDB is a sub-regional multilateral financial institution established in 1969. It has 28 member countries, including 19 regional borrowing members (BMCs), 4 regional non-borrowing members, and 5 non-regional, non-borrowing members. The CDB's main goals are to promote sustainable economic development and reduce poverty in the Caribbean region. The Bank's operations are divided into two categories: ordinary and special operations depending on whether they are financed by ordinary capital or the Special Development Fund.¹¹ In 2022, the Bank approved USD174.5 million in loans, grants and equity, while loan and grant disbursements amounted to USD285.9 million. The CDB's credit rating is AA+ stable.¹²

The Development Effectiveness Review (DER) is considered to be the main instrument to report on successes and achievements, course correct, and enhance its decision-making process with data, evidence, and lessons learned. One of the 2022 DER's recommendations is to strengthen monitoring and evaluation (M&E) systems—particularly in the area of impact and beneficiary assessments—to enhance learning, improved performance, and better development outcomes and impacts. The Bank has recently upgraded its development effectiveness efforts by establishing an office for Strategy and Accountability.

The CDB has a total of 197 staff. CDB staff are acknowledged as professional, passionate, and fully committed to achieving the development objectives of CDB. The CDB culture is strongly focused on approving, disbursing, and delivering loans and credits to its BMCs.

1.2.2 The Evaluation system

The CDB evaluation system consists of Management's monitoring and self-evaluation of project performance,¹³ and independent evaluation by the Office of Independent Evaluation (OIE). The organization's project cycle also includes design and appraisal documents—particularly the results frameworks, data collection, and the financial, implementation, and supervision reporting.

Monitoring and self-evaluation

Monitoring and self-evaluation include results frameworks, Project Supervision Reports (PSRs) and Project Completion Reports (PCRs). PSRs are required for all projects under implementation and PCRs are to be completed within six months of the project completion date.

Independent evaluation

Evaluation work at the CDB was initially established in the early 1990s as an Evaluation and Oversight Division (EOV), focusing on ex-post evaluation of projects and Project Performance Audit Reports. EOV

¹¹ The Special Development Fund is the Bank's largest pool of concessionary funds, which are used to address poverty and human development challenges throughout the Caribbean Region. Contributions to the Fund come from all member countries of CDB, as well as non-members.

¹² [Fitch Ratings Affirms Caribbean Development Bank's AA+ Rating with a Stable Outlook, Highlighting Resilient Loan Performance and High Governance Standards | Caribbean Development Bank \(caribank.org\)](#).

¹³ Operations also conduct some mid-term and final evaluations with the support of external consultants.

was also responsible for monitoring projects. In 2011, an external review was commissioned¹⁴ to assess the evaluation function in order to develop a policy taking into account good practices within the international development community. Following the review, the Evaluation Policy was issued in December 2011 setting out the aim, objectives, and guiding principles for the CDB's evaluation system.

Following the review, the Office of Independent Evaluation (OIE) was established in 2012 to assess the Bank's activities and interventions and draw out key lessons and recommendations for improving the Bank's performance. While the monitoring tasks were handed over to the Bank's operations area, OIE continues to validate the PCRs.

The 2011 Evaluation Policy gives OIE the authority to evaluate all development activities at the CDB, such as lending, grants, and technical assistance. OIE can also review internal CDB processes and procedures that may affect the CDB's development effectiveness, including self-evaluation systems. In addition, the Office may provide evaluation capacity development services to CDB staff, Member Countries, and external evaluators.

Until now, OIE has reported to the Oversight Assurance Committee (OAC), which consists of five Board members selected for a two-year term with the option to renew for another two years. One of the OAC members is from a non-regional member country, while the other four are from Borrowing Member Countries (BMCs). OAC provides technical and operational oversight related to all the oversight functions. All of OIE's evaluation reports are submitted to OAC. OIE's annual work program and budget is endorsed by OAC.¹⁵ The Committee for Development Effectiveness (DEC) that was established in March 2024, will take over OAC's responsibilities related to OIE's work. DEC will comprise five BoD members: one director each from the donor members, less developed countries, more developed countries, regional non-borrowing members, and an additional member representing the BMCs.

In 2017, an external review of the evaluation function¹⁶ assessed the first five years of OIE's operations (mid-2012 to December 2015). The review panel made a number of detailed recommendations directed at three main groups—the OAC, CDB's Management, and OIE—to further develop the Bank's evaluation culture, OIE's independence, OIE's resources, the evaluation work program, and the dissemination of lessons learned. After consideration, responses to the report were provided by each of the parties to whom the recommendations had been directed—OIE, Management, and OAC. All the recommendations were accepted, and action plans that arose from these responses were entered into a newly instituted follow-up process, with implementation formally monitored by OAC. According to the Approach Paper for this review, the actions were fully implemented two years later.

A perception survey, carried out by OIE in 2023 among CDB staff and BoD, aimed to gather insights into respondents' awareness of OIE, and assess their knowledge and opinions regarding OIE products. The survey found significant gaps in awareness of OIE among CDB staff and BoD members. And, although the utility and relevance of OIE's work were acknowledged, there was limited knowledge about its contributions and activities. Findings included the following:¹⁷

- 75% of BoD and 57% of CDB staff respondents expressed being "not so familiar" or "not at all familiar" with OIE's work.

¹⁴ Osvaldo Feinstein and Patrick G. Grasso. May 2011. Consultancy to Review the Independence of the Evaluation and Oversight Division of the Caribbean Development Bank.

¹⁵ Ref article 54 in the evaluation policy.

¹⁶ External review of the Office of Independent Evaluation. February 2017. Marlène Läubli Loud, John Mayne and Bastiaan de Laat.

¹⁷ 2023 OIE's Perception Survey. Paper: 111/2023-B2 (b). Annex 1 to the 111th meeting of OAC. September 7, 2023.

- 46% of CDB staff respondents mentioned having read independent evaluation reports in recent years, while 37% consulted PCRs.
- For CDB Staff, participation in evaluation activities such as interviews, focus groups, and surveys (44%) was the primary means to becoming familiar with OIE.
- Only 8% of BoD respondents reported interacting with OIE staff.
- The CDB staff who declared to be familiar with OIE recognized OIE's work as useful (66%), relevant (62%), of quality (55%), independent (60%), and credible (58%). However, there was a lesser degree of satisfaction with OIE's ability to inform decision-making on time (36%).
- 55% of CDB staff found OIE's work very useful or extremely useful, while 8% considered it not useful at all, and 37.25% responded with "don't know."

2. Findings

2.1 Resources

Resource constraints in the oversight functions have significant consequences. The CDB has a limited number of staff in many parts of the organization, including in its oversight functions. The resource constraints of OIE have critical implications for both self-evaluations and independent evaluations.

For self-evaluation, one of the consequences of resource constraint is the inadequate completion of PCRs. This is acknowledged in the 2022 DER which states that competing work priorities is the main explanation for the low completion rate of PCRs in 2022. A lack of PCR completion reduces the possibility for staff in operations to learn from their own experiences to design and better implement new operations. Additionally, it limits project-level data for the independent evaluation function to base its corporate, policy and strategy evaluations on, affecting its ability to fulfill its mandate in terms of accountability and learning. This is also in conflict with the 2011 Evaluation Policy's intention that, "Independent evaluation builds on the foundation of self-evaluation."

OIE has four positions for 2024, as determined by the CDB Human Resource department: HoE, Senior Evaluation Officer, Evaluation Officer, and an Evaluation, Research and Knowledge Management Assistant. OIE previously had a headcount of five positions, and it is unclear when or why the headcount was reduced. The position of HoE is at the level of division manager, one level below department head. However, at present, OIE is staffed by only two full-time positions. In October 2023, one consultant has been hired for a one-year term and a new evaluation officer will join in May 2024. It is worth noting that it took seven months to hire the consultant and 11 months to get the evaluation officer on board. The role of the HoE has been vacant since April 2023¹⁸ and is being temporarily filled by the Senior Evaluation Officer. Despite the commitment to hiring a new HoE, there is still no clear timeline for the hiring process. The small size of the office impacts the department's ability to fulfill its mandate and meet the current expectations of Management and the Board. Despite these restrictions, the existing staff have been able to improve the performance of the office in some areas.

The size of and decision-making process for OIE's budget raise concerns. The CDB follows a different practice from other MDBs when it comes to deciding the budget for OIE. Usually, the budget for the independent evaluation function is decided by the BoD separately from the budget for the rest of the

¹⁸ A process to find a new HoE took place in 2022/2023 but closed unsuccessfully after the winning candidate eventually withdrew.

organization on the basis of a proposal from the Head of the Office to the BoD regarding the needs of the evaluation program.

At the CDB, OIE's budget is decided as part of the overall CDB administrative budget¹⁹ and is sufficient only for one or two moderately scoped thematic evaluations or CSPEs, and activities related to PCR validations and knowledge management. This offering has typically been insufficient to cover the approved evaluation work program. To reach the expected level of activity, additional resources have been required. These supplementary funds were typically sourced from the Special Development Fund (SDF) unified through the submission of "Technical Assistance Papers", subject to approval by the Board.

Despite the resource constraints, since 2017, OIE has conducted a total of 16 independent evaluations: 2 corporate process reviews, 6 country strategy and program evaluations, and 8 sectoral/thematic evaluations. Additionally, OIE has conducted 33 validations of Project Completion Reports (PCRs). However, the department has not been able to develop other evaluation products or carry out dissemination activities as of yet. As stated in the OIE work program for 2024, the intention is now to broaden the menu of activities and products.

2.2 Practice

Gaps between formal requirements and practice in self-evaluation. The formal requirement for self-evaluations (PSRs and PCRs) is in place at the CDB but is only implemented to a limited degree. In addition to the limited resources, interviews revealed that the capacity and motivation to complete PSRs and PCRs often is also missing. This may be related to lack of demand from senior management, reflecting an organizational culture that is not supportive of learning and accountability.

PSRs were prepared for only 70% of the investment loans and grants under implementation in 2022. Technical and data-related issues explained the decline from 91% the previous year. The portion of PCRs completed in relation to loans that exited the portfolio in 2020 and 2021 was 40%. Of these, 25% were rated as highly satisfactory and 46% were rated as satisfactory. Factors affecting projects that were rated as marginally unsatisfactory or unsatisfactory (30%) included delays in procurement activities, lingering effects of the pandemic, delays in land acquisition, unrest and political turmoil, and inadequate project management arrangements.²⁰

Staff talked about being overworked and not having opportunities for reflection and learning. Many also expressed the opinion that there is a mismatch between the ambitions of senior management and the institutional capacity to deliver. The mismatch also lies between formal requirements and practice.

The OIE work program has limited relevance. OIE has a five-year strategy that is adjusted periodically and an annual work program. The original intention was to cover all of the Bank's sectors and country strategies over time. The evaluations therefore have a strong focus on corporate policies and country strategies and are linked with the Bank's strategy and policy renewal cycle. However, there is no institutionalized consultation process with Management or the BoD to develop or update the work plan. Further, the five-year horizon for the OIE strategy may limit the possibilities for amendment to reflect current issues. Most interviewers and survey respondents consider that the work program does not reflect

¹⁹ The Evaluation Policy says: "Any request that would increase OIE's share of the CDB administrative budget would require explicit justification by OIE and comment by Management on the implications for other CDB activities and lending ratios." (Article 62).

²⁰ Ref. The 2022 DER.

the Bank's current priorities; they find that a work program that better displays an understanding of what BoD and senior management focus on would be more relevant.

In terms of its business model, OIE follows a conventional approach to evaluation, fully commissioning the two-to-three large, comprehensive evaluations per year. OIE is responsible for planning, developing mandates (ToRs), and ensuring quality, while the external consultants carry out the evaluation work and write the reports, including conclusions and recommendations. This approach means that OIE staff are not involved in the evaluation work, missing the opportunity to build experience and verify that the conclusions and recommendations are relevant for the institution.

OIE's product mix is incomplete to meet the needs of the CDB. As a consequence of limited resources and concentrating on a few broad evaluation reports, OIE's efforts related to dissemination, communication, training, and advisory work are too limited to meet the needs of Management and the Board. Furthermore, the time taken by Management to produce the response to evaluations and the crowded OAC agenda indicate that the current product mix exceeds the absorption capacity of Management and the Board. A product mix that includes various forms of evaluative synthesis and just-in-time evaluations linked to strategic decision-making, in line with the stated intentions of the 2024 work program, would likely be more relevant to meet the needs.

According to the Evaluation Policy, OIE may also provide general advice on evaluation systems to operational departments, but in order to preserve its independence, should not participate in the decision-making process of specific projects, programs, or other development activities. Currently, the capacity of the office is insufficient to play such an advisory role, although some advising has been provided in the past.

Mixed findings emerge regarding OIE's learning role and corporate culture. Evidence collected through documentary analysis and interviews confirm that the CDB's culture is one that resists change and has a strong inertia. Some senior managers acknowledge the need to be more receptive to learning and less defensive and critical of reports from oversight functions.

Interestingly, the United Kingdom Caribbean Infrastructure Partnership Fund (UKCIF), which the CDB administers, is better structured for learning and has a stronger focus on Monitoring and Evaluation (M&E) than the other CDB programs. UKCIF proposed to provide M&E training to all CDB staff, but the proposal was rejected by middle management, another indication of resistance to change.

The Evaluation Policy establishes the objective of the evaluation function as ensuring accountability for results, supporting decision-making, and fostering organizational learning. Yet, some Board members consider OIE primarily as an accountability function and do not value or expect the learning function.

Evaluation processes are often perceived as relevant for staff directly involved. Evaluation credibility and utility are related to both the evaluation processes and the evaluation products, i.e. the reports. Staff and managers directly involved in evaluation processes find the evaluations much more relevant and timelier than staff and managers who only see the final report after completion of the entire process. Those who are involved in evaluations also use evaluations as a basis for designing new strategies and projects.

Delays in completion of independent evaluations weaken the relevance of OIE's work. While the quality of OIE's work is recognized by Management, the limited resources, the rigid practice of not allowing drafts or reports to be discussed at the Board without Management Response coupled with the delays on producing such responses, and an inadequate supportive learning culture cause important delays in the completion of the evaluations. In turn, the 2011 Evaluation Policy's objective to ensure that stakeholders

are provided with timely information is thwarted. While the evaluation work itself usually takes 6-9 months, factual validation by operation and Management Response may take more than an additional six months to complete, in some cases even a year. This timeline persists despite the formulation in the Evaluation Policy that says that *“management is responsible for providing comments on drafts in a reasonable amount of time so that reporting to APEC (now OAC) is not delayed.”* According to current practice, the final evaluation report is submitted to the OAC only when the Management Response has been completed, hijacking the timeline of the evaluation. A consequence of the lengthy process is that evaluation reports are often not accessible in time to be considered by the BoD before a new policy or country strategy is approved.

Inadequate disclosure, communication, and dissemination limit utility. Disclosure of evaluation reports on the CDB website has been uneven. In addition, the process of uploading a report is rather cumbersome. OIE cannot upload reports independently but has to go through the Bank Secretariat, which may delay the process of disclosure up to a year. This hurdle, in addition to the extension of the reports, limited use of infographics, communication tools, and dissemination activities, makes the information in the reports difficult to access. Short evaluation briefs have only been made for a few evaluations.

2.3 Quality

Some aspects of the evaluation quality are adequate, while there is room for improvement in others.

For this peer review, a meta-evaluation of OIE evaluation reports was conducted. The exercise covered 16 OIE evaluation reports that were completed between 2017 and 2023 (including the corresponding inception reports and approach papers) that were assessed on the following dimensions: purpose and scope, reliability, construct validity, internal validity, external validity, data analysis validity, and consistency. The assessment framework was piloted on two evaluations by three experts to validate and calibrate the approach. Subsequently, the other reports were assessed by one external expert. All dimensions were assessed on a three-point ordinal scale: adequate, partial, and inadequate. The analysis revealed areas of strength and opportunities for improvement in the evaluation practices. The results of the assessment are summarized in Annex IV.

The meta-evaluation concluded that overall reports are of adequate or partially adequate quality. In general, there is reasonable clarity on the evaluation goals, questions, and how they are linked to each other. In addition, the structure and logic underlying the reports are sound. The scope of the evaluations, however, is generally too broad. Many reports try to cover all evaluation criteria (relevance, coherence, efficiency, effectiveness, impact, sustainability) and are not sufficiently attuned to the demands for evaluative evidence.²¹ The level of clarity and transparency regarding the evaluation’s methodological approach is mixed. The conceptual underpinnings (conceptual framework, Theory of Change) of evaluations can be further strengthened. Finally, many reports show weaknesses in terms of the approach underpinning causal analysis, the extent to which findings can be generalized (across interventions or to the portfolio level) and addressing the limitations in data (quality) and how these affect the findings.

The broad scope and lengthy reports undermine the evaluation’s credibility. Evaluation reports seem to follow a fixed template, are too lengthy and often include unnecessary information and descriptions already understood by internal audiences. Some reports are perceived to lack sufficient understanding and knowledge of how the CDB works, while others are perceived as more useful. The recommendations in many reports are formulated in a rather vague and general way, which makes them difficult to follow up on. The Management Responses include proposed actions to follow up the recommendations. According to

²¹ One of the reasons may be the lack of available operational data.

the annual reports on the implementation of evaluation recommendations, the level of implementation is variable. Incomplete implementation is often explained by competing priorities and human resource constraints.

2.4 Influence – the Board

Evaluations are not discussed by the full Board. Despite the opening in the Evaluation Policy to discuss evaluations by the full Board, the practice has been that only OAC discusses evaluation reports. OIE is practically unknown to the Board as such. OIE reports are submitted and presented to OAC and discussed, among many other items, at one of the quarterly OAC meetings. Since 2017, only one evaluation (Policy Based Lending in 2017) and a draft Approach Paper (Multicycle evaluation of SDF 8 and 9) have been discussed by the full Board. In addition, until now, evaluation reports have not been made regularly available on the Board documents portal. Only a short summary prepared by the OAC Secretariat, which covers risk, audit, finance, ICA, as well as evaluation, is sent to the BoD after each OAC meeting. This explains the perception of OIE being hidden and unknown for non-OAC members of the Board.

OIE's access to the Board is restricted. Even if OIE reports to the Board, all communications and contacts between OIE and the Board are filtered by the various secretariats. This undermines the efficiency of the flow of communication, the independence of the office, and its capacity to interact with the Board.

The new Board committee has potential. The DEC, established in March 2024, will provide oversight of the independent evaluation function of the Bank. The purpose is to ensure that timely, credible, and evidence-based information on the relevance and performance of the CDB's projects, programs, policies, and other development activities are provided in order to foster organizational learning, support decision-making, and ensure accountability for results. The draft ToR was presented to the BoD in September 2023 and will be finalized by the members of the DEC at the beginning of their mandate, which is expected to be mid-March 2024. According to the draft, the main purpose of the DEC is to assist the BoD in ensuring that the CDB's programs and activities, in furtherance of its policy goals and objectives, have resulted in the desired outcomes, and whether these programs and activities have made efficient use of CDB's resources. Provided DEC will develop its draft ToR further to operate in line with similar board committees in other MDBs, the Committee has the potential to play an important role in enhancing the awareness and use of the evaluation function. Furthermore, this will depend on the provision of sufficient time, resources, and knowledge to oversee and discuss OIE's work and products, and consequently a better possibility to capture and communicate key lessons and provide relevant and timely information to the full Board and the Bank's member countries.

The role of a non-resident Board is challenging to fulfill. The CDB has a non-resident Board that meets periodically mostly in a virtual format. Board members are high-level officials with limited administrative capacity to devote to the CDB and often without an in-depth understanding of the role of the evaluation function. In such conditions, the potential role of the Board in relation to evaluation is different from MDBs where boards are resident.

2.5 Influence - Management

The influence of OIE on Management is mixed. Based on the survey results, the influence of OIE depends to a large degree on the extent of the respondents' direct exposure to and involvement in evaluation processes. Those directly involved found evaluations more useful than those not involved. In addition, evaluation reports are not considered easily accessible, and they are not commonly read by staff and

managers. When designing operations, some staff would rather use knowledge from other MDBs than knowledge from OIE.

Restricted work and isolation lead to a lack of awareness of OIE's work. The limited outputs of the OIE, the delays to present the final reports, and its relative isolation from the rest of the organization have resulted in an overall lack of awareness regarding the potential of evaluation to support learning and decision-making. As stated in the Evaluation Policy, OIE should have the capacity to interact more closely with other parts of the Bank to share lessons and to provide advice on M&E evaluation systems. As of now, however, mainly staff directly involved in the evaluation processes have knowledge of OIE's work. OIE appears to be too isolated from the operational parts of the Bank, even for an independent office. The limited awareness and isolation undermine the ability to generate learning and effectively utilize lessons learned generated through evaluation exercises. The proposed initiatives included in the 2024 work program may provide a good start to address some of these challenges.

2.6 Evaluation Policy

The 2011 Evaluation Policy has served an important role but needs revision. The 2011 policy states that the Bank “is committed to the strategic role of the evaluation system, including both self and independent evaluation, to measure the development effectiveness of CDB's interventions, and to promote learning and accountability that assist in the planning and managing of such initiatives.”

The objective of the policy is to ensure that the BoD, the President, the Strategic Advisory Team, CDB staff, and other stakeholders and partners are provided with timely, credible, and evidence-based information on the relevance and performance of CDB's projects, programs, policies, and other development activities. The policy covers both self and independent evaluation, lays out the institutional roles and responsibilities for evaluation, and outlines procedures for evaluation reporting, management response, follow-up, and disclosure and dissemination of evaluation results.

The 2011 Evaluation Policy was an important step in establishing an institutional evaluation system, with distinctive self-evaluation and independent evaluation functions. However, over time, the policy has shown weaknesses when it comes to clarifying the roles and responsibilities of the various actors involved in evaluations, the absence of time limits for the evaluation process steps, requirements for a correct understanding of independence, and providing sufficient resources for doing evaluations.

A process was initiated by OIE in 2021 to revise the 2011 Evaluation Policy by issuing a comprehensive working paper.²² The purpose of the document was to prepare for a revised evaluation policy aligned with international standards, provide a balanced treatment of self- and independent evaluation, define systems and practices to support transparency and learning and have a clearer articulation of “Independent Evaluation” supporting arrangements.

The revised policy is a good starting point. On the basis of the working paper, a revised policy was drafted for discussion.²³ The draft suggests a number of improvements, including time limits for management response and disclosure, a different process for deciding the OIE budget, and that HoE should have authority over staffing of OIE. The draft is a good first step in revising the policy, but is too long, comprehensive, and detail-oriented, and does not reflect the OECD commonly used definitions related to M&E. A revision should consider lessons from other MDB that recently have revised their policies. The tendency now is to

²² OIE. Working paper in preparation for a renewal of CDB's evaluation policy. October 2021.

²³ OIE. Evaluation Policy CDB. Discussion draft. November 2021.

have short policy documents and more detailed evaluation manuals to guide staff doing both independent and self-evaluations.

3. Conclusions

3.1 The evaluation system at the CDB is inadequate to fulfill its roles

OIE's work has improved over the last few years, particularly when it comes to the quality of the evaluation processes. However, compared to the objectives of the 2011 Evaluation Policy and the standards agreed upon by the MDBs,²⁴ the CDB's evaluation system is currently not achieving its intended objectives. While there are some positive aspects, the overall picture reveals major elements that need institutional commitment to improve. For example, the capacity to complete self-evaluations and independent evaluations on time, the accessibility of completed evaluations, the credibility and usefulness of findings and conclusions, and the limited advisory role of the evaluation function all remain inadequate.

3.2 Too little resources are devoted for self- and independent evaluation

Only a portion of the required PCRs are completed and are not used to learn from, or course correct. The staffing and consultant budget for OIE is too small to complete the approved work program and other activities expected from an independent evaluation office. While it is understood that the evaluation system must be tailored to the CDB's context and size, current resources inhibit the evaluation function from playing its intended role.

3.3 OIE's current evaluation model requires revision

Weaknesses in the commissioning model, evaluation quality, the mix of evaluation modalities, work program relevance and the dissemination of findings constrain the utility of evaluative work.

3.4 The CDB learning culture and evaluation expertise is to be developed

While there is some demand for more learning in different parts of the Bank, in particular at operational level, there is a lack of support for fostering learning by prioritizing the completion of self-evaluations and timely follow-up on Management Response to independent evaluation reports. The overall impression through the review is that the limited attention to and prioritization of M&E is related to a combination of limited M&E expertise and a lack of understanding of M&E's importance in ensuring accountability, evidence-based decision-making, improved effectiveness and efficiency, learning and knowledge management, communication, transparency, and sustainability.

3.5 Independence is not fully understood

The process for deciding on OIE's resources, the lengthy processes for hiring of OIE staff and the critical role of Management in influencing OIE all might indicate an incomplete understanding of what independence implies. ECG has issued five standards for the independence of a Central Evaluation

²⁴ ECG Big Book on Good Practice Standards.

Department (CED), see Box 1 below. According to the standards, the following four principles are to be kept in mind when considering independence for a CED²⁵:

- The rationale for independence in its various dimensions is to provide for and protect the impartiality of evaluations, and to ensure that evaluators' ability to provide credible reports and advice is not compromised.
- Independence does not mean isolation, as both operations and evaluation activities are enriched through cross-fertilization of knowledge and experience, and evaluators can help to introduce good practice and innovations by being aware of relevant developments outside the IFI. This has implications for evaluation work processes and issues such as the rotation of CED staff to and from other parts of the IFI and the mix of CED staff with experience inside and outside the IFI.
- Independence does not imply any particular approach to evaluation. In particular, independence does not mean that evaluators should focus more on accountability than on learning.
- Independence does not mean lack of accountability and responsibility, or that CED is exempt from the same degree of transparency as any other part of the IFI. The mechanisms used to ensure adequate levels of accountability for the evaluators may be somewhat different from, and independent of, the mechanisms for the parts of the organization reporting to management.

Box 1: ECG Standards and Elements of Evaluation Principles on Central Evaluation Department Independence²⁶

1. Governance and Independence of the Central Evaluation Department (CED)
 - CED Mandate
 - Mandate Coverage
 - Structural Independence
 - Oversight
 - Consultative Framework
 - Scope of Responsibility
 - Rights of Access
2. Independent Leadership of CED
 - Appointment
 - Contract Renewal
 - Termination
 - Authority & Remuneration
 - Performance Assessment
3. Independence of CED Staff
 - Selection
 - Skills
 - Opportunities
 - Conflict of Interest
4. The CED Work Program and Budget

²⁵ <https://www.ecgnet.org/content/independence-ceds>.

²⁶ https://www.ecgnet.org/content/independence-ceds?qt-view__documents_details__block_2=1#summary-of-standards-and-elements.

- Work Program
 - Determination of Budget
 - Adequacy of Budget
 - Accountability and Transparency
5. Independent Reporting and Disclosure by CED A. Reporting Line
- Primary Stakeholder
 - Other Stakeholders
 - Recommendations of CED
 - Disclosure Policy
 - Dissemination of Products

4. Recommendations

Recommendation 1:

Adequate resources should be provided to fulfill the requirements for self-evaluations and independent evaluations.

Recommendation for the decision of the Board, with implementation by OIE and Management

In the case of self-evaluations, this implies providing training of operational staff to properly carry out PSRs and PCRs, prioritizing time management, and establishing a helpdesk function to assist the work, located either in Management or as a separate section in OIE. It also implies increasing management's efforts in producing and making available credible, accurate data related to all aspects of the Bank's operations.

For OIE, this implies filling the vacant positions (HoE and evaluation officer) with permanent staff. Furthermore, it implies having adequate staffing at all times to meet the responsibilities of the office. It also implies providing the Office with a sufficient budget to fully fund the approved work program.

Recommendation 2:

OIE should enhance the potential utility of its work.

Recommendation to OIE with Management cooperation and the support and/or approval, as needed, by the Board

This includes rethinking the balance between independent evaluation and advisory support, changing its operational approach, adapting the mix of evaluation modalities, and narrowing the scope of its evaluations in line with the demand for evaluative evidence. To enhance potential utility, OIE should move away from today's fully commissioning model and towards a model with staff's direct involvement in the evaluation, while also incorporating a wide use of external consultants.

In addition, OIE should continue the process that has started in the 2024 work program in order to reduce the number and narrow the scope of corporate evaluations; develop its product mix to include process evaluations, synthesis reports and real-time evaluations; carry out advisory work vis-à-vis operations; provide quality assurance related to evaluation systems; and provide training to operational staff. Furthermore, OIE should issue an annual report with key messages and a summary of the evaluation work done during the year.

Recommendation 3:

The 2011 Evaluation Policy should be revised as soon as possible.

Recommendation to OIE with Management cooperation and approval by the Board

The revision should include clear definitions and relevant terms on evaluation and the position and function of evaluation, clarification of the roles and responsibilities of the various actors involved in evaluations, enhancing the efficiency and independence of evaluation by specifying time limits for the evaluation process steps both when it comes to Management's validation of factual information, Management Response, reporting to the Board, disclosure, and requirements of sufficient resourcing for the evaluation function.

A supplement to the policy should be issued (either as a part of the policy or as a separate document) with concrete guidelines for how both self-evaluations and independent evaluations should be carried out following international good standards.

Recommendation 4:

An evaluation advisory committee should be established to support the Head of Evaluation.

Recommendation to OIE with the support of the Board

The committee should consist of three evaluation experts with in-depth knowledge of the Caribbean region and the role of international finance institutions, with the main objective of providing reassurance that OIE is run in line with good practice standards and principles.

Recommendation 5:

The function of the Board's Development Effectiveness Committee should be reviewed after one year and then regularly.

Recommendation for the decision of the Board, with implementation by OIE with Management cooperation

The newly created Development Effectiveness Committee should undergo a review after one year of functioning to ensure it is on track to achieve its purpose and define final Terms of Reference. The current draft Terms of Reference can be further developed to, i.a., specify the responsibilities of the Committee to ensure it has sufficient time, resources, and knowledge to oversee OIE's work and products, and to provide relevant and timely information to the full Board and the Bank's member countries to improve the CDB's effectiveness in the Caribbean region.

Appendices

Appendix 1 - Management Comments on the Conclusions and Recommendations of the Report

PEER REVIEW PANEL	CDB MANAGEMENT COMMENTS
<u>CONCLUSIONS</u>	
The Evaluation system at the CDB is inadequate to fulfil its roles. Compared to the objectives of the 2011 Evaluation Policy and the standards agreed upon by the MDBs, the CDB's evaluation system and its independent evaluation function are presently not fulfilling their intended roles.	<i>Agreed. There is room for improvement in the Evaluation system and function.</i>
Too little resources are devoted for self and independent evaluation. The current lack of resources devoted to the evaluation function inhibits it from meeting its intended goals.	<i>Management recognises that the level of resources allocated to the self-evaluation function inhibited it from meeting its intended goals. However, Management notes that the level of resources allocated to the evaluation function was consistent with the level requested by the previous Head of the Office of Independent Evaluation (OIE) to deliver against the approved work programme.</i>
OIE's current evaluation model requires revision. OIE's current evaluation model is not optimal. Weaknesses in the commissioning model, evaluation quality, work programme relevance, the dissemination of findings, and the use of a mix of evaluation modalities constrain the utility of evaluative work.	<i>Agreed.</i>
CDB's learning culture and evaluation expertise is to be developed.	<i>Management recognises that there is room for improvement in this area.</i>
Independence is not fully understood. The process for deciding OIE's budget, the delays to produce management responses to the evaluations, and the critical role of management in influencing OIE	<i>Management appreciates that independence is much more than the process of deciding the budget of OIE. The human and financial resources dedicated to the evaluation function must be consistent within the overall envelope of the Bank.</i>

PEER REVIEW PANEL	CDB MANAGEMENT COMMENTS
<p>is a symptom of an incomplete understanding of what independence implies.</p>	<p><i>Management is in full agreement with the Evaluation Cooperation Group's (ECG) understanding of the key functions of Central Evaluation Departments (CED) of an International Financial Institution (IFI), which is "to provide independent evaluation of the projects, programmes, policies, and activities of the parent IFI. While independence is essential for the IFI to maximise the benefits from its evaluation system, the raison d'etre of independence is not for its own sake but to provide for impartial, credible evaluation as a means to help improve the performance of an organisation".</i></p> <p><i>Management recognises the five elements of the Evaluation Principles outlined by the ECG and notes that the criteria of: (1) Governance and Independence of the office. (2) Independent Leadership of the office. (3) Independence of CED staff, are largely met. There are specific areas that are being addressed to enhance the independence of the function, including the performance assessment of the Heads of independent areas by the respective Board Sub-Committee Chairs. (4) As it relates to the determination and adequacy of OIE's Work Programme and Budget, this is determined by the Board of Directors. Going forward the discrete budget for OIE will be reviewed and determined by the Board in consultation with Management. (5) Independent reporting is routinely conducted by OIE. There is work to be done in relation to the Disclosure Policy and Dissemination of Products by OIE.</i></p>
<p><u>RECOMMENDATIONS</u></p>	
<p>1. Adequate resources should be provided to fulfill the requirements for self-evaluations and independent evaluations. Recommendation for the decision of the Board, with implementation by the Office of Independent Evaluation (OIE) and Management.</p>	<p>Whilst there are notable human resources constraints in the Operations team, this only partially explains the sub-optimal performance in the timely completion of Project Supervision Reports (PSRs) and Project Completion Reports (PCRs) over the last few years. Self-evaluation is a standard part of best practice in project cycle management, and CDB management is committed to improving this aspect of our work through enhanced planning and prioritisation of work tasks. The Director,</p>

PEER REVIEW PANEL	CDB MANAGEMENT COMMENTS
<p>In the case of self-evaluations, this implies providing training of operational staff to properly carry out Project Supervision Report (PSRs) and Project Completion Report (PCRs), prioritising time management, and establishing a helpdesk function to assist the work, located either in Management or as a separate section in OIE. It also implies increasing management's efforts in producing and making available credible, accurate data related to all aspects of the Bank's operations.</p> <p>For OIE, adequate resources would consist of filling the vacant positions (Head, OIE and evaluation officer) with permanent staff. Furthermore, it implies reaching adequate staffing levels at all times to meet the responsibilities of the office. To complete these requirements, the Office needs a sufficient budget that would fully fund the approved work programme.</p>	<p>Projects Department being a strong results champion, has committed to prioritising timely completion of reports. In addition, Management commits to providing training for staff towards improving the quality of PSRs and PCRs. In terms of addressing the overall human resource constraints, the Bank is working to urgently fill existing vacancies. The continued development and rollout of the project cycle management platform, OP365, will also facilitate improved data management and analysis.</p> <p>Management supports the buildout of the OIE structure and notes the progress made with the recent recruitment and onboarding of an Evaluation Officer and the advanced stage of the recruitment process of the Head of OIE.</p> <p>It should be noted that the former Head of OIE decided to reduce the headcount for the Office and rely heavily on external consultants (commissioning model) to undertake independent evaluations. Given this strategic decision and the ensuing approved work programmes, the previous OIE budgets were appropriate. <i>Anticipating a shift from the commissioning model, the Bank added a Senior Evaluation Officer position to the office's active establishment.</i> Management expects that going forward, adequate budget support will continue to be made available to support the OIE's approved work programme.</p> <p>Consideration should be given to determine the optimal structure of independent evaluation for the Bank and the types of evaluations undertaken by OIE. The optimal product mix and associated timing should be prime considerations in assessing the level of staffing in OIE. As these independent evaluation functions are built out, due regard should be given to the absorptive capacity of the organisation as a whole and its ability to respond effectively to the evaluation function.</p>

PEER REVIEW PANEL	CDB MANAGEMENT COMMENTS
<p>2. OIE should enhance the potential utility of its work. Recommendation to OIE with Management cooperation and the support and/or approval, as needed, by the Board</p> <p>This includes rethinking the balance between independent evaluation and advisory support, changing its operational approach, adapting the mix of evaluation modalities, and narrowing the scope of its evaluations in line with the demand for evaluative evidence. To enhance potential utility, OIE should move away from today's fully commissioning model and towards a model with staff's direct involvement in the evaluation, while also incorporating a wide use of external consultants.</p> <p>This approach will also improve the institutional knowledge of the evaluation team, increase opportunities for ongoing engagement to better support learning and decision-making and reduce the perceived isolation from the rest of the Bank. Increase knowledge about OIE's contributions and activities, knowledge and opinions about OIE's products.</p> <p>In addition, OIE should continue the process that started in the 2024 work programme in order to reduce the number and narrow the scope of corporate evaluations; develop its product mix to include process evaluations, synthesis reports and real-time evaluations; carry out advisory work vis-à-vis operations; provide quality assurance related to evaluation systems; and provide training to operational staff. Furthermore, OIE should issue an annual report with key messages and a summary of the evaluation work done during the year.</p>	<p>Management agrees with the recommendation that OIE should enhance the utility of its work. Consideration should be given to determine the types of evaluations that ought to be done by OIE. The optimal product mix and associated timing should also be taken into account. As the product mix is expanded, due regard must be given to the absorptive capacity of the organisation as a whole and its ability to respond effectively to the evaluation function, whilst assessing the value and utility of each type of evaluation to the Bank.</p> <p>To advance efforts to support and enhance the learning culture in the Bank, change management and monitoring and evaluation training to operational staff should be undertaken jointly with the Strategy and Accountability Office and OIE.</p> <p>Management welcomes the production of an annual report which is consistent with the current practice for all independent areas.</p>
<p>3. The 2011 Evaluation Policy should be revised as soon as possible. Recommendation to OIE with Management cooperation and approval by the Board.</p> <p>The revision should include clear definitions and relevant terms on evaluation and the position and function of evaluation, clarification of the roles and responsibilities of the various actors involved in</p>	<p>Management supports the revision of the Evaluation Policy based on the agreed recommendations arising from the Peer Review process. A significant amount of work was undertaken, and a report produced in 2021 on the review of the Evaluation Policy which included extensive analysis of CDB's MDB comparators. This work should form a useful baseline for the proposed revision. Account should also be taken of the Bank's standards for revisions of policies which require significant</p>

PEER REVIEW PANEL	CDB MANAGEMENT COMMENTS
<p>evaluations, enhancing the efficiency and independence of evaluation by specifying time limits for the evaluation process steps both when it comes to Management's validation of factual information, Management Response, reporting to the Board, disclosure, and requirements of sufficient resourcing for the evaluation function.</p> <p>A supplement to the policy should be issued (either as a part of the policy or as a separate document) with concrete guidelines for how both self-evaluations and independent evaluations should be carried out following international good standards.</p>	<p>stakeholder consultation and collaboration which is necessary to ensure ownership by Operations and OIE.</p> <p>The review process should build in full consultation with the Board of Directors of CDB and provide opportunities for Directors to comment on drafts of the policy.</p> <p>The process should ensure relevance and alignment with the Bank's strategic priorities and pay due regard to the timing of the Bank's strategic initiatives to avoid bunching and conflicts.</p>
<p>4. An evaluation advisory committee should be established to support the Head of Evaluation.</p> <p>Recommendation to OIE with the support of the Board</p> <p>The committee should consist of three evaluation experts with in-depth knowledge of the Caribbean region and the role of international finance institutions, with the main objective of providing reassurance that OIE is run in line with good practice standards and principles.</p>	<p>The principle of having a sounding board with evaluation expertise is appreciated. Management is also aware of the MDB IFI ECG which promotes a harmonised approach to evaluation methodology and practices. Given that CDB is not a member of this Group but has been invited to join the Inter-American Development Bank Evaluation Network (including the Central American Bank for Economic Integration, the Development Bank of Latin America and the Caribbean). This group has similar-sized MDBs to CDB, so the Management's recommendation is for CDB to first join this network to benefit from peer support.</p> <p>Management notes that, in general, MDBs have tended away from use of dedicated experts to support the independent functions that report directly to the Board as there is a tendency for those individuals to become entrenched over time and for their views to be outsized relative to any other.</p>
	<p>Management does not support the establishment of the Advisory Evaluation Committee to support the Head of OIE at this time, recognising that there is much to be gained by the Head of OIE participating actively in the established community of practice mentioned above.</p>

PEER REVIEW PANEL	CDB MANAGEMENT COMMENTS
<p>5. The work of the new Board's Development Effectiveness Committee (DEC) should be reviewed after one year, and then regularly.</p> <p>Recommendation for the decision of the Board, with implementation by OIE with Management cooperation.</p> <p>The newly created DEC should undergo a review after one year of functioning to ensure it is on track to achieve its purpose and define final Terms of Reference (TOR). The current draft TOR can be further developed to, i.e., specify the responsibilities of the Committee to ensure it has sufficient time, resources, and knowledge to oversee OIE's work and products, and to provide relevant and timely information to the full Board and the Bank's member countries to improve the CDB's effectiveness in the Caribbean region.</p>	<p>The Terms of Reference for all the Bank's Sub-Committees, including DEC, provide for regular review and an annual self-evaluation.</p>

Annexes

Annex I Methodology

Based on the assessment of the terms of reference for this review, the intentions and criteria stated in the above-mentioned best practice frameworks, the timeframe for the review and the assessment of the challenges at the CDB, the peer review panel has applied a broad perspective. The review has assessed current and identified future potential issues regarding:

- A. The content, set-up, responsibilities, and coverage of the CDB evaluation system., including the governance and institutional arrangements
- B. The evaluation policy and the role and responsibilities of OIE, the BoD and Management
- C. The quality and relevance of the evaluation processes and products of the OIE
- D. The quality and relevance of the self-evaluation processes and products

The peer review has applied a mixed-methods approach, with in-person and virtual semi-structured interviews with representatives of CDB Senior Management and BoD, focus-groups with CDB staff, documents reviews and a light-touch comparison with practices in other development finance institutions. The panel visited CDB the week of 22 January 2024.

To support and complement the Peer Review, a meta-evaluation of the OIE's evaluations conducted between 2017-2023 has been undertaken by an external consultant. The objectives were: to assess the quality, scope, and, to the extent possible within a meta-evaluation, utility of OIE's evaluations, and to identify what can be done to enhance the quality, utility, and scope of OIE's evaluations.

The meta-evaluation covers all thematic and sectorial evaluations, corporate process evaluations, and country Strategy and Program Evaluations completed between 2017-2023. It was done as a desk review of evaluation reports and their corresponding documents. The meta-evaluation concentrated on examining the quality and scope of OIE's evaluation, while also considering their utility to the extent that a meta-evaluation allows.

Annex II

List of respondents

Interviews:

1. Malcolm Geere (Board Director UK)
2. Joseph Williams (Coordinator, Renewable Energy/Energy Efficiency, Projects Department)
3. Whitfield Harris (Antigua and Barbuda Board Director)
4. Valerie Poire (Director Corporate Communications)
5. Camille Taylor (Head Corporate Communications)
6. Philip Browne (Director HR)
7. Therese Turner-Jones (Director Project Department)
8. Marie Hinds (Director Trinidad and Tobago)
9. Olga Lucía Moncayo (Director Colombia)
10. Gregory Hill (VP Finance and Corporate Services)
11. Isaac Solomon (ag. President and VP Operations)
12. Darran Newman (Advisor to VP Operations)
13. Diana Wilson Patrick (General Counsel and Bank Secretary)
14. Stefano Capodagli (Chief Risk Officer)
15. Ann-Marie Warner (Deputy Director, Corporate Strategy)
16. Onika Miller (Chief Strategy & Accountability Officer)
17. Lisa Harding (Head (Ag) Private Sector Division)
18. Sharon Peake (Board Director Canada)
19. Dorothee Roy (Alternate Board Director Canada)
20. Ian Carrington (OAC Chair/Board Director Barbados)
21. Joseph Williams (Coordinator Renewable Energy/Energy Effectiveness Project Department)
22. Denis Bergevin (Head Internal Audit)
23. William Ashby (Portfolio Manager, Economic Infrastructure Department)
24. Sharon Griffith (Program manager, UKCIF)
25. Faye Hardy (Director (Ag) Finance and IT)
26. Andrea Power (Senior Adviser for the President)
27. Darran Newman (Adviser VP Operations)
28. Fabio Marvulle Bueno (Alternate Board Director Brazil)
29. Katrin Schroeder (Board Director Germany)
30. Timo Mahn Jones (Alternate Board Director Germany)
31. Ian Mills (Alternate Board Director UK)
32. Serena Rossignoli (Acting HoE/Senior Evaluation Officer, OIE)
33. James Melanson (Former HoE)

Focus group sessions:

34. Karl Pivott (Projects Department)
35. Naomi Akoy-Bouguenon (Procurement)
36. Cassie Ann James (Corporate Communications)
37. Paul Saunders (Environmental Sustainability Unit)
38. Maria Ziegler (Social Sector Division)
39. Michel Thomas (Officer Private Sector)
40. Stephan Maier (Economics Department)
41. Dindial Ramrattan (Economics Department)
42. Christine Mohammed (Procurement)
43. Melissa Felician (Infrastructure Partnerships)

- 44. Marcelo Lima (IT)
- 45. Christopher Straughn (Renewable Energy/Energy Efficiency)
- 46. Beverly Lugay (Economics Department)
- 47. Cyril Gill (EU Standby Facility)
- 48. Stephen Sandiford (Infrastructure Division; Projects Department)

Annex III

Peer review panel

The peer review panel has consisted of:

- Ivory Yong Protzel, chair (Director, Office of Evaluation and Oversight, Inter-American Development Bank),
- Indran A. Naidoo (Director, Independent Office of Evaluation, IFAD),
- Jos Vaessen (Evaluation Advisor, Independent Evaluation Group, World Bank).

Per Oyvind Bastoe (Independent Evaluation Adviser), has assisted the peer review panel in its work as consultant.

Annex IV

Summary findings of the meta-evaluation of 16 OIE evaluation reports.

The meta-evaluation analyzed 16 evaluations on various dimensions, including scope, reliability, construct validity, internal and external validity, and consistency. It carried out a comprehensive analysis of evaluation reports, terms of references, or approach papers, focusing on adherence to established evaluation standards and practices. This procedure allows the team to determine the degree of adequacy (Adequate, Partial, Inadequate). The analysis revealed several areas of strength and opportunities for improvement in the evaluation practices. (See Figure 1.)

Regarding scope, most evaluations received an "Adequate" grade, indicating a solid foundational understanding of the evaluations' purposes. However, there were instances where the scope could have been more clearly defined. The formulation of evaluation goals and the adequacy of evaluation questions varied significantly across the evaluations, with some evaluations needing more clarity of goals or lacking a clear definition of objectives. The definition of scope and delimitation received mixed reviews, with some evaluations demonstrating a clear understanding of the operational context and limitations. In contrast, others needed to be more specific and complete.

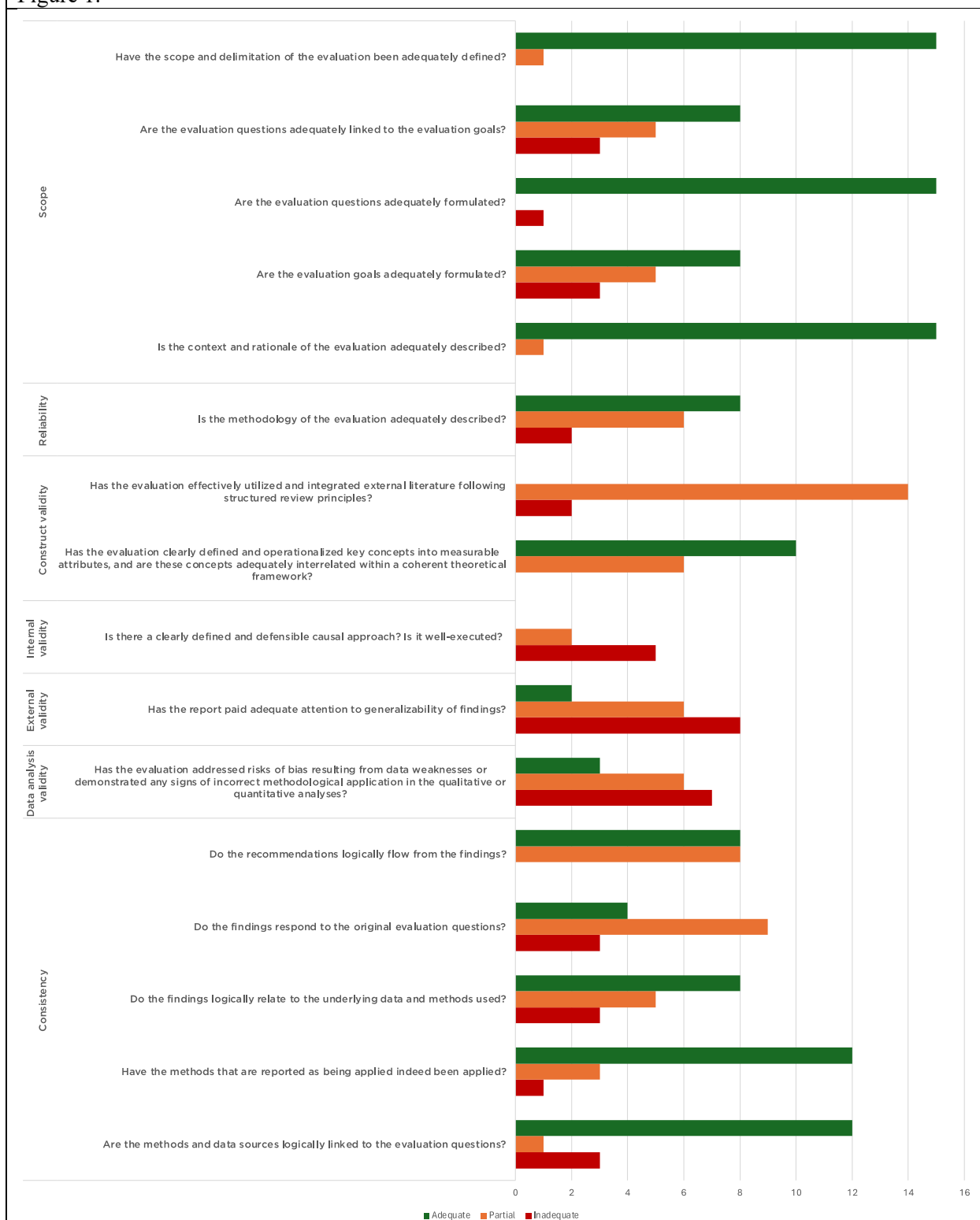
In terms of reliability, the dataset indicates variability in how adequately the methodologies of evaluations are described. The presence of a theory of change or conceptual framework varied significantly. Data collection methods and sources were commonly detailed, but the description of data analysis methods needed to be more consistently reported. The acknowledgment of evaluation limitations varied, with most evaluations describing significant limitations, particularly regarding data availability.

The analysis reveals a mixed approach in defining and operationalizing key concepts within evaluations regarding construct validity. The findings indicate a general shortfall in the structured review and integration of external literature.

Regarding internal, external, and data analysis validity, the review indicates a varying degree of success in defining and executing defensible causal approaches across evaluations. Many evaluations fell short in external validity due to a need for more attention to how findings could inform future strategies or apply to other interventions and regions. The meta-analysis revealed concerns about potential biases arising from data weaknesses and methodological applications.

In terms of consistency, the analysis indicates a variable degree of success in establishing a logical connection between the methods and data sources utilized and the evaluation questions posed. The consistency of findings with the underlying data and methods used also varied. There needed to be more consistency in how the findings responded to the original evaluation questions. The logical progression from findings to recommendations was generally more consistent.

Figure 1.



Note: Own elaboration based on the meta-evaluation results data. The three bars add to the 16 evaluations reviewed. If it does not add to 16, it is because, for some evaluations, the question did not apply.