

African Development Bank Group



INDEPENDENT PEER REVIEW OF THE INDEPENDENT DEVELOPMENT EVALUATION OF THE AFRICAN DEVELOPMENT BANK GROUP

Independent Peer Review Report (Final Report)

Version February 2019

PREAMBLE

This Independent Peer Review (IPR) Final Report is prepared following consultation meetings held in Abidjan, Côte d'Ivoire, from 28 August to 05 September 2018, with the African Development Bank Board (and CODE) members, Senior Management, line Management, BDEV Evaluator General, Management and Staff. It incorporates comments received during the CODE meeting on 18 January 2019.

Target Audience

The main target audience of this report comprises the African Development Bank Board, Senior Management, line Management and Staff, the AfDB Independent Development Evaluation (BDEV), the Bank's regional offices and member country stakeholders.

Any background information on the Bank can be found on the Bank's website (www.afdb.org) or on IDEV's website (<http://idev.afdb.org>).

Panel Members

The Peer Review Panel comprised four members:

- Ms. Caroline Heider, Director General of the Independent Evaluation Group (IEG) and Senior Vice President of the World Bank (Chair of the Panel);
- Mr. Per Ovynd Bastoe, Head of the Evaluation Office for NORAD and Chair of the OECD-DAC EvalNet;
- Mr. Jan Willem van der Kaaij, Inspector General of the European Investment Bank (EIB); and
- Mr. Indran Naidoo, Director of the Independent Evaluation Office (IEO) of the United Nations Development Program (UNDP)

The Panel received assistance from Mr. Mohamed Hedi Manai, Senior Evaluation Consultant.

Disclaimer: The findings, conclusions and suggestions expressed in this report are those of the members of the independent Peer Review Panel in their individual capacities.

Acknowledgement: The members of the Panel would like to express their appreciation to the Bank for the opportunity to participate in this Independent Peer Review. Panel members would like to thank Mr. Rakesh Nangia, Evaluator General, his management team and staff, in particular, Mr. Oswald Mirianaud Agbadome and Ms. Carla Felix Silva, for their assistance and help in organizing the meetings, video and telephone conference calls. The efficient support and open discussions with Board members, Senior Management, line Management and Staff greatly contributed to the satisfactory outcome of this Independent Peer Review.

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Abbreviations and acronyms

AfDB	African Development Bank
AFREA	African Evaluation Association
APNODE	African Parliamentarians Network on Development Evaluation
AsDB	Asian Development Bank
BDEV	Independent Development Evaluation
CED	Central Evaluation department
CEDR	Comprehensive Evaluation of Development Results
CLEAR	Centers for Learning on Evaluation and Results
CODE	Committee of Operations and Development Effectiveness
CSPE	Country Strategy & Program Evaluation
DAC	Development Assistance Committee
DBDM	Development and Business Delivery Model
EBRD	European Bank for Reconstruction and Development
ECD	Evaluation Capacity Development
ECG	Evaluation Cooperation Group
ECoP	Evaluation Community of Practice
EDs	Executive Directors
EIB	European Investment Bank
EPRADI	Evaluation Platform for Regional African Development Institutions
EVRD	Evaluations Results Database
GPS	Good Practice Standards
HR	Human Resources
IaDB	Inter-American Development Bank
IEG	Independent Evaluation Group
IFI	International Financial Institution
KM	Knowledge Management
MARS	Management Action Record System
MOU	Memorandum of Understanding
NORAD	Norwegian Agency for Development Cooperation
NSO	Non-Sovereign Operations
OECD	Organization of Economic Cooperation and Development
OPEV	Operations Evaluation Department (former title to BDEV)
PCR	Project Completion Report
PPER	Project Performance Evaluation Report
PRA	Project Results Assessment
QA	Quality Assessment
RMCs	Regional Member Countries
SNDR	Department on Development Results
SNOQ	Department on Operational Performance and Quality Assurance
TYS	Ten-Year Strategy
UN	United Nations
UNDP	United Nations Development Program
WB/WBG	World Bank/World Bank Group
WP	Work Program
XSR	Extended Supervision Report

Currencies UA equivalent (2018)

1 UA= US\$1.42

1UA= Euro1.19

Executive Summary

Introduction and Background

1. The Independent Development Evaluation function (BDEV)¹ of the African Development Bank Group (AfDB or the Bank) proposed an Independent Peer Review (IPR) as a means of receiving feedback on current practices and learning from international standards and best practices of other independent evaluation functions to ensure benchmarking to global standards. Peer reviews are considered an important mechanism for promoting good practices, while also fostering mutual accountability between multilateral institutions and independent evaluation units.
2. In 2017, BDEV initiated a self-evaluation of its implementation of the 2013-2017 Independent Evaluation Strategy to draw lessons and improve its future performance. The AfDB's Committee on Operations and Development Effectiveness (CODE) agreed that, in addition to this self-evaluation, an independent review to take stock of the independent evaluation function of the Bank as well as align it to comparative global standards would be useful. An IPR was proposed as a means of implementing this external review. Accordingly, CODE approved the inclusion of the IPR in the 2018 update of BDEV's 2016-2018 rolling work program in November 2017.

Purpose

3. The purpose of the IPR is to provide evidence-based conclusions and recommendations to inform the development of the Independent Evaluation Strategy for 2019-2023 and, if needed, to adjust processes and practices of BDEV. It provides reassurance to the Executive Board and Senior Management that BDEV performs its functions in line with international good practice. In addition, it is expected that evidence-based conclusions and recommendations will help the incoming Evaluator General improve the independent evaluation function of the Bank within the changing institutional and development context.
4. The IPR examined the extent to which BDEV's products, activities and institutional context align with good practice standards for evaluation, particularly the three core principles of: (i) Independence; (ii) Credibility; and (iii) Utility.
5. The IPR was conducted by a panel of independent evaluation experts (Panel or Review Panel) from the Evaluation Cooperation Group (ECG) and multilateral network of evaluation functions.

The Independent Peer Review Process and Limitations

6. The independent peer review is based on document analysis, including other assessments of BDEV's strategy and work, and consultations with stakeholders throughout the Bank and externally, mainly selected ECG members. The independent review drew from the

¹ Independent Development Evaluation has branded itself as IDEV. Institutionally, its acronym is BDEV to signify its reporting line to the Board of Executive Directors. This report uses BDEV in reflection of organizational standards.

overall framework of peer review issues and questions and applied the agreed three core criteria to its review.

7. The most significant limitation of the IPR is the relatively small number of managers and staff interviewed from the Operations Complex and Management. Moreover, the IPR Panel did not assess firsthand the quality of BDEV's strategy or evaluation reports but relied on the external assessments² commissioned by BDEV, as these seemed of good quality. An assessment of BDEV staff qualifications and competencies, while important to ensure credibility, were outside the mandate of the IPR.

Major Findings and Conclusions

8. BDEV performed relatively well in terms of independence and credibility. As it is a shared responsibility, the performance is less than satisfactory in terms of utility, particularly on the part of Bank Management and its use of evaluations. Improvements can be made against all three criteria.

Independence

9. BDEV meets many of the standards of independence of evaluation. BDEV reports to the Board and is therefore structurally independent. The Board, for the first time, is selecting the Evaluator General, and holds the authority to dismiss him/her and thereby protects the Evaluator General from the risk of dismissal by senior leadership of the Bank. The Board has approved and continues to approve the work program and budget.
10. There are several areas in which BDEV faces potential risks to its independence.
 - a. **Level and Renewal Term of Evaluator General:** The decision to maintain or downgrade the position is taken by the Board rather than with interference by Management. However, in a highly hierarchical institution like the Bank, the grade level of the Evaluator General is important with regard to his/her ability to speak truth to power. Any downgrade will affect the incoming incumbent's position. In addition, the renewal process of the term of the Evaluator General, which can be extended once, may entail the risk that the Evaluator General is put under pressure at that time, even if it seems not to have occurred in the past.
 - b. **Budget:** The standard budget process can provide Bank Management with an opportunity to adjust allocations to BDEV. The process applies to the entire Bank (it does not affect BDEV more than other vice-presidencies), and risks have not materialized in that BDEV's budget has grown, at times well above the average allocations for the Bank as a whole.
 - c. **Staffing:** In line with Bank practices, the President and HR Department make all final HR decisions. This can and has materially affected BDEV's staffing decisions

² IDEV: Draft Self-assessment of the implementation of the AfDB Independent Evaluation Strategy 2013-17, July 2018 - Universalia: Quality Assessment of a Sample of Evaluation Products Commissioned by the Independent Development Evaluation of the African Development Bank – A Draft Report - May 2018

and undermined its independence in HR matters. It has contributed to delays in filling positions of managers and staff, contributing to the vacancy rate of 26%.

11. Independence, in the sense of impartiality, is also affected by the absence of an updated manual that ensures all evaluations follow transparent good practice methods and processes. This issue is further discussed under credibility.
12. Conflict of interest guidelines exist to manage intellectual independence. However, there is no system in place to track whether conflicts of interest have arisen and how they have been dealt with or managed.

Credibility

13. BDEV has gained much in credibility over the past six years. Progress can be attributed to the personal credibility of the Evaluator General and improvements in the quality of evaluation reports, as documented in the independent assessment of BDEV's evaluations.
14. Challenges to credibility remain, particularly due to a high degree of variability in quality and credibility of evaluation reports. On multiple occasions, this variability was due to the capacity of staff managing and overseeing evaluations, and the quality and familiarity of consultants with the Bank. A major shortcoming in this regard is the absence of an updated evaluation manual to define methods and processes which might introduce greater transparency in BDEV's work.

Utility

15. BDEV has invested in engaging with Management by increasing consultations in three important areas:
 - a. On the work program, which has shifted the program towards higher level evaluations that are timely and important to strategic discussions of the Board and Management;
 - b. During a number of (but not all) evaluations to create better understanding of evaluative insights and sponsor improved receptivity to evaluation findings; and
 - c. In terms of outreach (both internal and external), where greatest progress has been made, including sharing knowledge at key events including Evaluation Week, publications like briefs on evaluations or periodic publication such as "eVALUation Matters", and capacity development that has resulted in the first African parliamentary forum for evaluation.
16. The Panel considers that BDEV's considerable investments in communication are important but not sufficient to create an evaluation culture at the Bank. Action is needed on the part of the Bank's senior leadership and the Operations Complexes to signal their commitment to effective engagement and use of evaluation lessons, continuous improvement, and results. The ongoing mid-term review of the ADF, the ADF replenishment and the GCI-VII processes provide opportunities for senior leadership to match shareholders' demand for independent evaluations and Management's follow-up actions.

Recommendations

To the African Development Bank Board

17. Some fine-tuning of the Evaluation Policy, budget and HR processes is necessary to further enhance independence. It is recommended to the Board to:

- Define in the Independent Evaluation Policy the grade level of the Evaluator General at Vice President level;
- Consider the adoption of an appointment for one term only of 5-6 years for the incoming Evaluator General, without the possibility for renewal or for any other position in the Bank, as it is the actual trend in other IFIs;
- Institutionalize a selection process for the Evaluator General that starts early enough to ensure smooth handover from one to the other;
- Determine how the Evaluation Policy can be revised to better ring-fence budget and human resource decisions in practice.

To the Bank Senior Management

18. Leadership of the Bank has respected the independence of BDEV. However, Senior Leadership should build on the asset of a strong independent evaluation function to enhance the Bank's reputation and credibility (for instance in ADF and GCI negotiations), and to continuously learn from experience to improve services and results for clients. It is recommended, therefore, to:

- Signal consistently the need for improved learning and to actively seek to use evaluation findings to create a stronger result, learning, and an evaluation culture, with a clear commitment not to isolate the BDEV Evaluator General from Senior Management policy discussions;
- Enhance the presence of experienced staff in evaluation reference groups and establish feedback practices within operational vice-presidencies, while encouraging operational staff to engage with BDEV in all knowledge sharing events and throughout the evaluation process;
- Reduce the time taken to prepare Management Responses to allow a timely release of evaluation findings. Management Responses may be restricted to Action Plans with timeframes and the units responsible for action implementation;
- Enhance the follow up of implementation of agreed evaluation recommendations.

To BDEV and to the Incoming Evaluator General

- The incoming Evaluator General should – further to a familiarization period - develop his/her strategic directions for the term period of the appointment and submit it for approval by the Board through CODE;

- The improved consultation process on the work program can be strengthened further by briefing Management about the final evaluation work program to create greater awareness;
- To ensure consistency of evaluation processes and enhanced evaluation methods, the draft BDEV manual (or handbook) should be finalized and implemented systematically to increase impartiality (objectivity in design and process), transparency, and credibility;
- Appropriate evaluation methods should be selected to ensure new insights are generated;
- Build up a system for budget planning and management for BDEV evaluations to ensure efficient resource use, and consider measures to deal with long delayed evaluations;
- Use the Senior Management Coordination Committee (SMCC), and other such platforms, to brief leadership about strategic evaluations and discuss necessary follow-up actions;
- Enhance the awareness and use of the electronic platforms (website, EVRD) and increase their user-friendliness with dynamic features and effective search capabilities;
- Accelerate the procedures to fill the vacant positions and continue investing in staff development, including onboarding arrangements for new staff;
- Establish a system to monitor and record cases of conflict of interest and how they are managed.

I. Introduction and Background

A. Background

1. The Independent Development Evaluation function (BDEV)³ at the African Development Bank Group (AfDB or the Bank) proposed an Independent Peer Review⁴ (IPR) as a means of receiving feedback on current practices and learning from international standards and best practices of other independent evaluation functions to ensure benchmarking to global standards. Peer reviews are considered as an important mechanism for promoting good practices, while also fostering mutual accountability between multilateral institutions and independent evaluation units.
2. In 2017, BDEV initiated a self-evaluation of the 2013-2017 Independent Evaluation Strategy as an input into the preparation of a subsequent strategy. The AfDB's Committee on Operations and Development Effectiveness (CODE) agreed that it would be useful to undertake, in addition, an independent review of BDEV and approved its inclusion in the 2018 update of BDEV's 2016-2018 rolling work program in November 2017.

B. Purpose

3. The purpose of the IPR is to provide evidence-based conclusions and recommendations to inform the development of the Independent Evaluation Strategy for 2019-2023 and if needed to adjust processes and practices of BDEV. It provides reassurance to the Executive Board and Senior Management that BDEV performs its functions in line with international good practice. In addition, it is expected that evidence-based conclusions and recommendations will help the incoming Evaluator General improve the independent evaluation function of the Bank within the new institutional and development context.

C. Assessment Criteria

4. The IPR examined the extent to which BDEV's products, activities and institutional context align with Good Practice Standards for evaluation. In this regard, the IPR addresses three core issues: (i) Independence; (ii) Credibility; and (iii) Utility, as defined in ECG and UNEG standards⁵.
5. **Independence** is defined as the integrity of the process and the absence of bias favoring the interests of the Bank or other stakeholders. It reflects the extent to which evaluators can be impartial and free from undue pressure. Independence is achieved through an

³ Independent Development Evaluation has branded itself as IDEV. Institutionally, its acronym is BDEV to signify its reporting line to the Board of Executive Directors. This report uses BDEV in reflection of organizational standards.

⁴ "Peer reviews of development evaluation functions and systems in development agencies have several purposes: building greater knowledge and confidence and use of evaluation systems by management, governing bodies and others; providing a suitable way of "evaluating the evaluators"; sharing good practice, experience and mutual learning. The primary intended audience for the results of professional peer reviews is one of decision-makers and other users of evaluation – including where appropriate the intended beneficiaries in member countries." *DAC-UNEG (2007) Joint Task Force on Professional Peer Reviews of Evaluation Functions in Multilateral Organizations, Framework for Professional Peer Reviews.*

⁵ DAC Evaluation Network: DAC Guidelines and Reference Series: Evaluation Quality Standards, 2010; Evaluation Cooperation Group: ECG standards based on: Evaluation Cooperation Group *Good practice standards on independence of international financial institutions' central evaluation departments.* (June 2010). OECD/DAC Evaluation Network Evaluation Systems and Use: A Working Tool for Peer Reviews and Assessments, 2010; United Nations Evaluation Group (UNEG): Norms and Standards for Evaluation, June 2016.

enabling environment, institutional, structural and organizational means, and intellectual independence of evaluators

6. **Credibility** derives from Independence (in the sense of impartiality) and is a necessary condition for Utility. In addition, it is derived from the professionalism of evaluators, the systems (methods, processes, quality standards and assurance processes) in place to manage evaluations, and the practice of honoring commitments
7. **Utility requires intent, on the part of the evaluation, to be useful (timely, relevant, high quality of reports and recommendations, and accessible)** and, on the part of the Board and Management, to use evaluation (active engagement in the evaluation process including internal feedback loops, meaningful responses and action plans, implementation and tracking systems).

D. The Independent Peer Review Panel

8. The IPR was conducted by a panel of independent evaluation experts (Panel or Review Panel) from the Evaluation Cooperation Group (ECG) and multilateral network of evaluation functions, composed of:
 - The Director General of the Independent Evaluation Group and Senior Vice President of the World Bank Group;
 - The Head of Evaluation for NORAD and Chair of the OECD-DAC EvalNet;
 - The Inspector General of the European Investment Bank; and
 - The Director of the Independent Evaluation Office (IEO) of the United Nations Development Program (UNDP).

E. Approach and Limitations

9. The IPR is based on an analysis of documentation, including other assessments of BDEV's strategy⁶ and quality of evaluations⁷, and consultations with stakeholders throughout the Bank and externally, mainly selected ECG members. To facilitate the Panel's discussions, a preliminary assessment was conducted by an independent consultant. It addressed questions consistent with the UNEG "Norms and Standards for Evaluation" and the ECG's "Review Framework for the Evaluation Function in Multilateral Development Banks". It covered each of the identified issues based on (i) a review of internal policies and guidelines; (ii) the Evaluation of the Independent Evaluation Strategy; and (iii) the report of the Management Action Record System.
10. The most significant limitation of the IPR is the relatively low number of managers and staff interviewed from the Operations Complex and Management. Moreover, the IPR Panel did not assess firsthand the quality of BDEV's strategy or evaluation reports but relied on the external assessments commissioned by BDEV, as these seemed of good quality. An assessment of BDEV staff qualifications and competencies, while important to ensure credibility, were outside the mandate of the IPR.

⁶ IDEV: Draft Self-assessment of the implementation of the AfDB Independent Evaluation Strategy 2013-17, July 2018.

⁷ Universalia: Quality Assessment of a Sample of Evaluation Products Commissioned by the Independent Development Evaluation of the African Development Bank – A Draft Report - May 2018.

F. Report Structure

11. This introductory chapter is followed by a brief Chapter II on the context of the Bank and BDEV's history. Chapter III provides the analysis and assessment against the core criteria. Chapter IV presents the IPR's conclusions and recommendations.

II. Context and Challenges

A. AfDB Context

12. The Bank has undergone considerable change over the past five years: moving its headquarters from Tunis back to Abidjan, the appointment of a new President, a substantial reorganization to align the organizational structure with the new operational priorities (the High 5s), the complete change of leadership, and preparation for the replenishment of African Development Fund, and the General Capital Increase. The Bank is in the process of implementing its reform agenda of a new Development and Business Delivery Model (DBDM), and a new largely decentralized organizational structure.

B. BDEV: Evolution, Mandate, and Mission

13. Evaluation at the Bank has increasingly become more independent. From first being part of research and planning, then reporting to the President in the 1980s and 1990s, BDEV now reports to the Board, through CODE, since 1996. In 2002, BDEV's mandate was clarified by a Presidential directive. In 2007, the first independent evaluation policy was approved, and updated in 2016.
14. The evaluation policy and its revisions were developed based on prior reviews, such as "Towards Closing Evaluation Gaps at the African Development Bank⁸", self-assessments, and strategic directions of the Bank at the time. The policies reflected international standards for evaluation, such as the Development Assistance Committee's Principles for Evaluation of Development Assistance⁹ and the Good Practice Standards issued by the Evaluation Cooperation Group. The process involved consultations with CODE prior to approval of the respective policy, and Bank Management's responses¹⁰ to the issues raised in the analytical reports underpinning policy choices. Evaluation policies were typically translated into evaluation strategies.
15. BDEV's mission is to enhance the development effectiveness of the Bank Group through independent evaluations, oversight of self-evaluation processes and products, and proactive engagement in evaluation partnerships and knowledge-sharing activities. To support the Bank Group in achieving greater development effectiveness, the independent evaluation function has adopted three core objectives:
 - Contribute to enhanced learning in the Bank and regional member countries to improve current and future policies, strategies, programs, projects, and processes.

⁸ Towards Closing Evaluation Gaps at the African Development Bank (ADB/BD/WP/2005/123 – ADF/BD/WP/2005/143) – November 2005

⁹ OECD-DAC Principles for Evaluation Development Assistance, OECD 1998

¹⁰ Management Responses on the Report on the Independence of the Operations Evaluation Department (OPEV) of the African Development Bank: (ADB/BD/WP/2005/106/Add.1) (ADB/BD/WP/2005/106/Corr.1) (ADB/BD/WP/2005/106/Add.2)

- Provide a basis for accountability to the public and to member countries by documenting the use and results of the Bank Group's assistance.
- Promote an evaluation culture in the Bank and regional member countries to encourage a focus on development results, learning, and continuous quality improvement.

C. BDEV: Strategy, Structure, and Resources

16. The 2013-2017 Independent Evaluation Strategy¹¹ (extended to 2018) addressed issues raised in the 2012 self-assessment. It set out three interlinked roles of evaluation namely: i) accountability; ii) learning; and iii) promoting an evaluation culture. Two main priorities embedded in the strategy were a shift in emphasis from stand-alone project evaluations to country and regional strategy evaluations, as well as thematic/sectoral and corporate evaluations and a strong knowledge management, dissemination and outreach function to ensure that evaluation findings are used in operations, strategies and policies of the AfDB.
17. In line with the Strategy, BDEV provides a range of evaluation products and activities that strives to be responsive and relevant to the need for evaluative knowledge, including project validations and evaluations; country and regional strategy evaluations; higher plane evaluations such as thematic, sector, process and corporate; impact evaluations; syntheses and systematic reviews; annual reports; knowledge management and dissemination, and evaluation capacity development.
18. BDEV has two divisions in charge of all evaluation work, namely Division 1: Power, Energy, Climate Change and Green Growth; Private Sector, Infrastructure and Industrialization; and Integration Evaluations; and Division 2: Agriculture, Human and Social Development, Country and Corporate Evaluations. In line with the Strategy, BDEV's structure has evolved during the last five years with the creation of a third division in charge of communication, knowledge management, evaluation culture and evaluation capacity development (ECD).
19. BDEV staffing has been constant over the last five years at around 35-38 total staff with some increase in staff positions in 2017, albeit with a vacancy rate that has increased to 26% in 2017 (from 14% in 2013). The number of professional evaluation staff has increased from 17 in 2013 to 21 in 2017, which implies a growth of the share of professional staff to total staff from 59% in 2013 to 75% in 2017. Female staff has decreased from 44% to 32% of total staff, excluding vacant positions. The share of consultancy cost in the BDEV budget has been between 45% and 55% during the period.
20. The BDEV budget has evolved in volume from UA5.044 million in 2013 to UA6.194 million in 2017, representing an increase of UA1.150 million (or 23%) in 5 years. As a share of total Bank administrative budget, BDEV's budget has remained steady at approximately 1.7%, although the percentage was lower in 2016. The average of 1.7% is comparable to other regional development banks such as the Asian Development Bank or Inter-American Development Bank.

¹¹ Independent Evaluation Strategy-Revised: ADB/BD/WP/2012/139/Rev.1/Add.1 ADF/BD/WP/2012/99/Rev.1/Add.1 1st July 2013.

D. Self-Assessment of the 2013-2017 Evaluation Strategy

21. The self-assessment, drawing on a range of stakeholders, concluded that the objectives of the strategy were relevant at the time when they were formulated and remain so in the current context of the Bank. The shift of focus on not only accountability but also on learning and promoting an evaluation culture has been highly relevant. BDEV's strategic objectives are aligned with the Bank's Ten-Year Strategy (TYS 2013-2022) and aim to contribute to the Bank's commitment to become a learning organization through monitoring progress and measuring results and impact on development. BDEV's new focus on more country assistance and program evaluations, sector and thematic and impact evaluations is aligned with the Bank's new orientation. In addition, since 2016, BDEV aligned its work program to the High 5s priorities of the Bank. The creation of a knowledge management and communication division, the implementation of tools and systems (e.g. EVRD, MARS, the website, the evaluation manual) are also aligned to the OECD/DAC evaluation principles as well as the ECG (Evaluation Cooperation Group)'s mandate of promoting quality, usability and use of evaluation knowledge.
22. BDEV has significantly increased the number of high-level evaluations, knowledge sharing, and external capacity development activities delivered. Over the strategy period, BDEV delivered at least eight (8) evaluations a year. The independent quality assessment¹² of a sample of evaluation products indicates that the quality of BDEV evaluations has improved during the strategy period. BDEV also organized more than 40 learning events as well as supported various evaluations networks in regional member countries. However, project level evaluation should be increased in terms of target level for stand-alone project evaluations and for validation of project completion reports. The backlog for 2016 and 2017 will be caught up before the end of 2018.

III. Assessment of the Independence, Credibility and, Utility

A. Independence

23. BDEV meets many of the standards of independence of evaluation.

¹² Ibid-See above: footnote 6.

- It reports to the Board, through CODE, and the Board has demonstrated strong ownership of independent evaluation. The 2016 Evaluation Policy defines the role and responsibility of the Board, through CODE, vis-à-vis independent evaluation;¹³
- With the adoption of the 2016 Evaluation Policy, the head of BDEV is now recruited by CODE on behalf of the Board. The current selection process is the first time that the Board exercises this function. While this rightly puts the Board in the driving seat, it also may cause delays, as indicated by the long process to select the recruitment company in the current recruitment process;
- During the recent renewal of the Bank’s leadership team, the Evaluator General was protected from dismissal in respect with his mandate;
- In line with the 2016 Evaluation Policy, the Board approves BDEV’s work program and budget. Once approved by the Board, BDEV budget is protected and is not subject to Management intervention without the agreement of the Board.
- BDEV submits its reports without prior clearance (in the policy and in practice).

Evaluation culture, which can enable or hamper independence, is discussed under III.C. Utility, as it is instrumental in the use of evaluation insights and follow-up to evaluation recommendations.

In the AfDB context, a results/ learning/ evaluation culture is strained by significant changes that AfDB has undergone over the last five years, with an approval culture rooted in the business model, and weaknesses in knowledge management and information sharing.

These factors, and more, determine the enabling environment in which BDEV must fulfill its mandate.

24. However, there are several areas in which BDEV faces potential risks to its independence.

25. **Board Support.** BDEV benefits from very strong support and ownership of the shareholders, who are mindful of the need to protect the independence of the evaluation office. However, Board members are not of a uniform opinion on the degree of independence that BDEV should enjoy. This was manifest in intense discussions on the 2016 Evaluation Policy, which took almost two (2) years to approve, about the degree to which BDEV should be independent. Discussions like these are important to developing a shared understanding of the role of independent evaluation in the Bank. However, the Board’s unwavering support for candid, impartial assessments of the Bank’s results and performance are essential to safeguard independence of evaluation.

26. **Responsiveness of Management.** Overall, senior leadership that met with the IPR Panel professed support for independent evaluation. However, the isolation of the Evaluator General over the past two years (as illustrated by his removal from the SMCC), limited engagement during evaluation processes, and delays in preparation of Management Responses interfere with the timely release of evaluation findings. This practice undermines independence, as processes are effectively controlled by Management.

¹³ Since CODE has its own terms of reference, those in the Evaluation Policy might duplicate or deviate. Streamlining these documents might be warranted.

27. **Evaluator General Grade Level.** The decision to maintain or downgrade the position is taken by the Board rather than with interference by Management. However, in a highly hierarchical institution like the Bank, any downgrade will affect the incoming incumbent’s ability to speak truth to power.
28. **Evaluator General's Tenure.** Uncertainty also exists around the renewability of the term of the Evaluator General. For the now departed incumbent, the renewal of contract took a long time to approve. Reportedly, delays were caused in part by the arrival of the new President to allow him to get to know the Evaluator-General and decide on the renewal of the contract. This kind of dependence on the President’s approval can affect the independence of the Evaluator-General, if s/he perceives that candid evaluations will threaten renewal.¹⁴
29. At the AfDB, the last Evaluator General served 6.6 years from 2012 to 2018. Between 1996 and 2018, evaluator general/directors have served on average 4.4 years (excluding officers-in-charge). During the same period, three officers-in-charge were appointed for the interim period between the appointments of evaluator general/directors. They served on average 1.9 years, with the longest being in place for 3 years and 9 months. Until now, officers-in-charge were drawn from Senior Management, whereas the current one comes from within BDEV. This choice is an improvement to ensure independence.
30. In other IFIs, the trend has been towards appointment for one term only, without the possibility for renewal or for any other position in the respective institutions, as shown in Table 1 below:

Table 1: Heads of Evaluation Tenure and Renewability

IFI	Title	Tenure	Renewability
AfDB	Evaluator General	5 years (max of 10 years)	renewable once
AsDB	Director General, IED	5 years	non-renewable
BSTDB	Director Evaluation	No fixed tenure	n/a
EBRD	Chief Evaluator	4 years (max of 8 years)	renewable once
EIB	Inspector General	No fixed tenure	n/a
IaDB	Director, OVE	6 years	non-renewable
IFAD	Director, IOE	6 years	non-renewable
IMF	IEO Director	6 years	non-renewable
IsDB	Director, OED	3 years (no max limit)	renewable
WBG	DGE IEG	6 years	non-renewable

¹⁴ According to ECG Guidelines on the independence of the evaluation function (2010), the evaluation Head’s appointment is for a fixed term, but may include an option for renewal. If renewal is allowed, the governing Board has the authority to extend such a renewal. To preserve independence, upon termination of service as the evaluation Head, the individual is not eligible for any position within the IFI.

IFI	Title	Tenure	Renewability
Others			
UNDP	Director, IEO	5 years	non-renewable

31. **Budget Process.** The standard budget process of the Bank requires that once CODE has discussed and agreed to the work program, budget allocations are made by Management. This process can provide Bank Management with an opportunity to adjust allocations to BDEV. The process applies to the entire Bank (it does not affect BDEV more than other vice-presidencies). This risk has not materialized. BDEV's budget has grown and remained relatively stable as a percentage of the Bank's total budget, as shown in Table 2 below. As the next work program and budget will be approved without the new Evaluator General in position, it will be important for CODE to safeguard BDEV's budget allocations.

Table 2: Total BDEV Budget allocations 2013-2017

	2013	2014	2015	2016	2017
Total Bank Admin Budget (UA million)	298.26	316.14	300.01	358.49	368.35
Total BDEV Budget (UA million)	5.044	5.59	5.203	5.183	6.194
% of Bank Total Admin. Budget (%)	1.69%	1.77%	1.73%	1.45%	1.68%
% Increase of BDEV budget		9.77%	-7.44%	-0.39%	16.32%

32. **Human Resources.** In line with Bank practices, the Director of HR approves all staff appointments at GS level, the Vice-President for Corporate Services approves all appointments at non-managerial PL level (up to and including PL-3), and the President approves all appointments at managerial grade (PL2 or above.) Negotiations on terms and conditions of employment including on salary, and assumption of duty, are conducted by the Human Resources vice-presidency. These arrangements have materially affected BDEV's staffing decisions and undermined its independence in HR matters. These restrictions reportedly have been a major constraint to recruit high-level and talented evaluation staff and consultants. It has contributed to delays in filling positions of managers and staff, contributing to the vacancy rate of 26%.

33. **Conflict of Interest Guidelines.** Conflict of interest is addressed in the 2016 Evaluation Policy in a dedicated annex. An Internal Audit Report as well as the Quality Assessment highlighted that conflicts of interest have not been fully managed. There is no system in place to track whether conflicts of interest have arisen and how they have been dealt with and managed.

34. Independence, in the sense of impartiality, is discussed further under III.B. Credibility.

B. Credibility

35. Most stakeholders from the Board and Management were appreciative of the credibility of the now departed Evaluator General. He seems well respected in the AfDB and, through his personal credibility, enhanced the credibility and standing of BDEV. Likewise, BDEV

staff (in general) seem sufficiently credible for their role and tasks. However, several interviews pointed to the high degree of variability in the quality and credibility of evaluation reports and attributed this observation to the capacity of individual staff managing and overseeing evaluations. This variability can undermine BDEV's credibility overall.

36. BDEV has invested in staff training: more than 15 activities during the period 2015-2017, including trainings on communications, impact evaluations, contribution analysis, process tracing skills, and others. The self-assessment of the Strategy, however, expresses the need for further improvements:

“Having an appropriate training plan and dedicated training budget would help to ensure that the training provided targeted the skills needed to implement BDEV's work programs. The lack of such planning reduces the effectiveness of training. Also, the lack of centralized tools for planning and budgeting contributed to large variations in evaluation costs and a lack of assurance on best value for money choices.”

37. BDEV's most important shortcoming to credibility is the absence of an updated manual (or a handbook) that ensures consistent approaches and processes across BDEV, transparency vis-à-vis stakeholders who know what to expect, and guidance to staff to manage evaluation processes professionally. Consistency and transparency are important factors in determining credibility, impartiality, and independence of the evaluation function. This finding by the IPR is equally supported by the self-assessment of the Strategy:

“The lack of a handbook that codifies BDEV's key evaluation processes and practices contributed to a lack of harmonization on how evaluations are conducted in BDEV. This includes how evaluations are communicated, as there is no consistent involvement of KM and communication staff in the evaluation cycle. This was a missed opportunity in terms of ensuring that the evaluation messages are well tailored to the intended audiences. The absence of a clear documentation of key processes may have contributed to some evaluations taking longer than expected to complete, and also affected the accountability of the evaluators.”

38. The choice of methodologies determines whether an evaluation can generate a strong, insightful evidence base that adds value and ensures the assessment is impartial. The Quality Assessment¹⁵ concluded that the quality of evaluation design and methodology has improved, comparing a sample of evaluations from 2009-2012 with those produced between 2015 and 2017. For instance, it rated 54% of evaluations in the sample as having a satisfactory or better design, and 69% of evaluations in the sample as having satisfactory or better data collection, analysis, and sampling tools. These averages are driven by low ratings for the earlier batch of evaluations with significant improvements in the second batch. Likewise, the Quality Assessment rated 81% of evaluations as satisfactory or better on evidence and findings, and 85% on the link between evidence, findings, conclusions and recommendations. These high levels of success rating are impressive and contribute

¹⁵ *Quality Assessment of a Sample of Evaluation Products*, Universalis, Draft Report - May 2018.

to BDEV's growing credibility. They, however, do not reflect the degree of variability that has been observed in conversations with stakeholders from the Board and Management.

39. BDEV has made concrete progress towards improving its products by applying the OECD-DAC international evaluation principles and the ECG "Big Book" good practice standards. However, gaps still remain; for example, a stakeholder mapping in each evaluation, an explicit statement and reference to OECD-DAC and AfDB-BDEV evaluation principles related to evaluation independence, impartiality, ethics, partnership, coordination, and capacity building during the evaluation process, as well as the identification of relevant cross-cutting issues and their integration into BDEV evaluations.
40. Although evaluation reports are appreciated by the Board and Senior Management, a few issues were highlighted in terms of timely submission of evaluation reports, the difficulty to collect the relevant background data and reaching the internal Bank staff, involvement of relevant stakeholders, lack of clear guidance on evaluation methodology and harmonized process¹⁶. In fact, BDEV staff raised concerns with the lack of information sharing within BDEV (something reportedly common in the AfDB) which, however, impedes their ability to work efficiently and affects credibility when operational counterparts are asked multiple times for the same information.
41. Discussions with AfDB stakeholders confirmed concerns raised in the Quality Assessment with the rating scale that has been reduced to 4 points at the insistence of CODE members. Particularly, the stark choice between "satisfactory" and "unsatisfactory" creates concerns with Management, as it does not allow for a more nuanced appreciation of interventions (projects, country strategies and portfolios, etc.) that have not been fully satisfactory, but achieved more than what would warrant an unsatisfactory rating.
42. Key informant interviews also revealed that some stakeholders were concerned with the learning content of evaluations, i.e. that they did not produce new insights. The IPR did not corroborate this observation with an in-depth analysis of evaluation reports against existing knowledge of respective departments at AfDB (the latter being well beyond the IPR's mandate).

Processes that are transparent, engaging, and involve quality assurance.

43. A dual system of review (internal and external) covering both design documents and final reports is adopted by BDEV. The internal peer review is conducted by two (2) or three (3) reviewers. Main reports produced for each evaluation are reviewed by at least one external expert reviewer using standardized review guidelines and templates. BDEV also adopted a sitting expert panel for the Comprehensive Evaluation of the AfDB's Development Results (CEDR) (the department's major undertaking for 2014-2016), to ensure consistency across the CEDR component evaluations, with strict quality control guidelines for country strategy and program evaluations (CSPEs) as well for sector or thematic evaluations.
44. The Quality Assessment rated evaluations for stakeholder engagement at 62% satisfactory or highly satisfactory. It recognizes high variability across the sample. These observations were largely corroborated by the IPR Panel in stakeholder interviews, including concerns with variability which might be even more pronounced if more problematic evaluations

¹⁶ Technopolis: IDEV Self-Evaluation: Stakeholders' Survey results Report, May 2018.

(such as those that are controversial and/or have been delayed) might worsen the average scores.

Practice to follow and adhere to procedures, honor commitments and meet deadlines

45. The self-assessment of the evaluation strategy found that “76% of evaluations were delivered in the year planned”. The objective in terms of budget execution rate was achieved for most years during the period, and the rate remained above 90% for all years. However, slippages were recorded in the delivery of some tools (EVRD, MARS, website), although this was not fully under the control of BDEV. A weakness identified in terms of budget was that the team found no evidence of a system for day-to day management and implementation of BDEV evaluations as well as a management information system, which might constitute a threat in the long run to cost-efficiency.
46. As pointed out by BDEV, each high-level evaluation is a considerable undertaking that lasts 12–18 months and involves consultation with multiple stakeholders throughout the Bank and RMCs. However, as evaluations take more than one year to be delivered, this may affect BDEV’s credibility, particularly when conducting country strategy and program evaluations, as the findings should be timely to feed into the next country assistance strategy. Although the table below shows a record of 90% completion of the planned evaluations, it does not mean that these evaluations were completed in the year they were planned (see above).

Table 3: Planned vs Delivered Evaluations¹⁷

Year	2012	2013	2014	2015	2016	2017
Nbr of evaluations planned	6	13	12	12	12	10
Nbr of evaluations delivered (for Management Response)	6	9	9	12	13	9
%	100%	69%	75%	100%	108%	90%
Cancelled Evaluations			1			2
Postponed Evaluations		4	2			2

Source: IDEV Annual Reports

47. A risk to credibility could potentially arise from the cost of evaluations. However, there are no reliable data to compare these costs, as they also depend on variables such as complexity and scope.

C. Utility

Culture.

48. At the AfDB, the overriding institutional culture is one of meeting approval targets, something of even greater importance considering the desired general capital increase (need to demonstrate that money is being lent to justify increasing additional resources that are needed to offer meaningful lending programs to client countries). The past couple

¹⁷ Delivered evaluations include additional and un-programmed evaluations. (figures extracted from annual reports and corroborated by the 2018 Strategy Review)

of years have been dominated by several significant transitions (see paragraph 12 above), which have been mentioned as reasons for not focusing as much on results, learning, and evaluation. Challenges with staff performance management, whereby the recourse system makes it impossible to manage poorly performing staff, further compound challenges with results management.

49. None of these factors create strong conditions for an evaluation culture. Nonetheless, BDEV has invested in engaging with Management (on a number of, but not all, evaluations) to create better understanding of evaluative insights and sponsor improved receptivity to evaluation findings. These contributions by BDEV are important, but not sufficient to create an evaluation culture. In addition to the Board, Management also needs to consistently signal the need for improved learning and actively seek to use evaluation findings to create a stronger results, learning, and evaluation culture.

BDEV's efforts to ensure usefulness of evaluation

50. **Strategic and Timely Choices** about what to evaluate and when. BDEV has improved its consultations during work program preparation to ensure strategic choices are made when selecting evaluations. Many important and sensitive evaluations have been included in the work program and undertaken in response to Board interests. The recent (ongoing) quality assurance evaluation¹⁸ could be mentioned as a good example of a useful and timely evaluation, initiated in close dialogue with Management¹⁹. Another example is the formative evaluation of the human resources management policy and strategic directions, which was well accepted by the Board and Management and served as an input to the people strategy under preparation. The independent review of the Bank's administrative budget management was also well accepted by the Board, and actions were taken by Management in pursuing the implementation of budget reforms within the broader reform agenda to improve coordination, delivery and corporate performance. Likewise, the increase in country-level evaluations and fit with the country strategy process has been timely.
51. While consultations with Management on work program choices have improved, it is important to reconfirm with Management the final evaluation work program to enhance buy-in and ensure their readiness for implementation. Some members of Management perceive the evaluation agenda to be driven by the Board, with a focus on areas of weakness, and seem to have less ownership of the evaluation agenda and hence of resulting recommendations.
52. **Quality of Recommendations.** Stakeholders from the Board and more so from Management raised concerns about recommendations. Some of them had the impression that recommendations were articulated by consultants who were less familiar with the AfDB and what is suitable and realistic. Many more were questioning the usefulness of recommendations when they did not offer suggestions on how problems should be resolved. At the same time, several members of Management agreed that prescriptive

¹⁸ The quality assurance evaluation comprises three detailed evaluations of the Quality at Entry, Quality of Supervision and Exit, and Quality Assurance Across the Project Cycle.

¹⁹ For the ADF-MTR, the evaluation of the quality at entry is perceived as relevant and useful. Management expressed satisfaction with the process and the interface with BDEV following the OPSCOM meeting held to review the draft evaluation report.

recommendations would likely produce push-back from Management, which reserves the prerogative to determine how to respond to evaluations. This challenge is not unique to BDEV but faced by other evaluation offices as well.

53. This is corroborated by a comparison analysis of fifteen (15) CODE summary evaluation reports completed in 2015-2017 whereby recommendations were generally drafted by evaluation task managers and signed off by BDEV management, with related background technical reports generally drafted by consultants. A large variability of recommendations' quality and usefulness was found for most of the reviewed evaluations, as summary CODE reports ended up with generic lessons and recommendations, with a large discrepancy between CODE summary reports and technical reports' recommendations. There is no clear explanation for this discrepancy, but it may be due to the own consideration of the evaluation task manager or BDEV management to present less prescriptive recommendations. In all cases, Management agreed on the general and generic recommendations and provided concrete actions in response to these recommendations.
54. **Accessibility.**²⁰ BDEV has made great strides over the past couple of years to professionalize its outreach, including new publications (Evaluation Matters magazine), presentation of reports in an accessible manner, introducing new engagement strategies, AfDB Evaluation Week etc. There are further opportunities during the preparation of the work program and annual reports to build on these successes to generate and provide timely inputs of evaluative evidence into decision-making processes. For instance, some stakeholders thought it would be useful to have the Evaluator-General brief the Senior Management Coordination Committee on specific evaluation findings and discuss with them follow-up actions.
55. A database on evaluation results (EVRD) was set up to disseminate findings, lessons and recommendations. However, this database lacks publicity and is not well used by staff and other stakeholders. An average of 10,500 requests took place through the web and almost 1250 EVRD documents were uploaded, with an increased number of lessons and recommendations in 2017. The number of tweets is increasingly shaping the communication, messaging and dissemination (See: <http://idev.afdb.org> and <https://evrd.afdb.org>).
56. The BDEV website has become more user-friendly. It captures all BDEV products, magazines, multimedia devices (videos, webinars etc.) and updated information on BDEV and other partners' publications. It includes a direct link to the evaluation data retrieval system (evaluation results documents -EVRD) which contains a search query on all Bank self-assessments (PCRs) and independent validations and evaluations, classified by country, sector and category of products with their main conclusions, lessons and recommendations.
57. **Outreach.** The self-assessment of the implementation of the strategy found that BDEV over the assessed period "delivered knowledge sharing in the form of evaluation communities of practice, evaluations, knowledge products, workshops, knowledge platforms and other types of dissemination. BDEV made efforts to ensure that knowledge-sharing and dissemination was an integral part of all evaluations in recent years. The increase in communication activities (including social media, Evaluation Matters, events

²⁰ Accessibility is defined as clearly written, retrievable evaluation reports that are actively shared through a variety of tools, media, and in ways that facilitate adult learning.

in RMCs, media coverage) helped to ensure that BDEV increased its visibility, something that was acknowledged during interviews”.

58. Evaluation Capacity Development. Efforts to develop evaluation capacity in regional member countries – a new area identified in the strategy – provided support to strengthen the national evaluation systems in Tanzania and Ethiopia and supported or partnered with evaluation networks such as the African Evaluation Association (AfrEA)²¹ and the Center for Learning, Evaluation and Results (CLEAR)²². These activities are in line with the strategy’s aspirations; in some areas exceeding initial expectations, for example with initiatives such as the Evaluation Platform for Regional African Development Institutions, the African Parliamentarians Network for Development Evaluation and the “*Twende Mbele*”²³ Initiative. In terms of quality, stakeholders perceived a good quality of these activities that enabled them to improve their own activities. Survey results show that 95% of the participants are satisfied with the nature of this work. BDEV was able to achieve these results thanks to partnerships with agencies such as the Gates Foundation, UNDP, UNICEF, Korea Trust Fund, the Finnish Government, and others.

Management’s efforts to use evaluations

59. Engagement. Bank leadership has interpreted the independence of BDEV in ways that has led to greater isolation. During key informant interviews, the IPR Panel found that several members of leadership would welcome greater engagement of BDEV in senior leadership meetings. The exclusion of the Evaluator General, in recent years, reportedly also resulted in greater disengagement of operational management and staff from evaluation processes. The Evaluator-General’s good relationship with senior staff across the AfDB has not been able to compensate for this step towards isolating BDEV.

60. While BDEV has made some of the evaluation processes more engaging, there has been consistent feedback from both sides that engagement by Management is limited. Junior staff or none are sent to reference groups to engage with evaluations throughout the cycle. This is in part due to the lack of importance assigned to evaluations, and in part because of the workload on project staff. A 28% vacancy rate across AfDB and highly overstretched staff needing to meet lending targets amidst the ongoing change processes were frequently mentioned as explanatory factors.

61. However, senior or operational Management does not have the habit to call on BDEV for briefings on evaluation findings, and therefore does not make best use of existing evaluation knowledge. There are no institutionalized feedback mechanisms from

²¹ The African Evaluation Association (AfrEA) is a non-profit umbrella organization for African Voluntary Organizations for Professional Evaluation (VOPEs). It serves as a leading source of evaluation knowledge for individual evaluators in countries where national evaluation associations do not exist. Website: www.afrea.org

²² The CLEAR Initiative is a multi-donor program that takes a unique, and scalable, approach to meeting the growing demand for evaluation capacity development in developing countries. The CLEAR program and associated funds are managed by a Global Hub housed at the [Independent Evaluation Group](http://www.independentevaluation.org) of the [World Bank Group](http://www.worldbank.org). The Global Hub is able to leverage the World Bank’s resources, expertise, and convening power to build a strong network. CLEAR’s global component anchors the overall program by supporting the regional Centers, generating innovative and internationally benchmarked knowledge of and approaches to capacity development, and building international brand recognition. Two centers are located in Anglophone and Francophone Africa. Website: www.theclearinitiative.org

²³ The *Twende Mbele* M&E Partnership Program was officially launched at the African Evaluation Association Conference in Kampala, Uganda, in March 2017. *Twende Mbele*, a Swahili term meaning «moving forward together» focuses on using peer learning among African countries to build M&E systems and strengthen government performance and accountability. The initial partners are the Office of the Prime Minister in Uganda, the Office of the President in Benin, the Department of Planning, Monitoring and Evaluation in South Africa, CLEAR-AA, and BDEV.

reference groups to operational and senior leadership from those who attend meetings with BDEV.

62. **Management Responses and Actions.** A formalized Management Action Record System (MARS) is in place since 2015 to ensure the follow-up of evaluation recommendations agreed since 2012. Management reports on the recorded actions in 2018 show an execution rate of 12.7% with timely implementation and 39% with delayed implementation. However, the follow-up of implementation of agreed evaluation recommendations is delayed due to BDEV staff constraints. The MARS needs to be revamped and customized so as to increase its use and utility for decision and policy-making.
63. Management Responses systematically take more than 66 days for their preparation (*this timeline is what SNOQ/SNDR imposed as a minimum number of days*). Action plans are said to agree generically (a justification given is that recommendations are generic and hence lend themselves to broad promises) and over-promise actions that may be unrealistic. In that regard, and based on Management data, an execution rate of 51.7% is claimed for on-time or delayed actions. The percentage of agreed recommendations with no progress represents 6.4% of the total agreed recommendations/actions while the ongoing recommendations/implemented actions (on-time or delayed) represent 36.6%. The percentage of retired recommendations is negligible (0.8%) but 4.5% of recommendations were “undefined” (with no identified responsible unit for implementation).
64. The implementation rate of Management planned action records and their effects on changing the business of the Bank are not visible, but signals the weak implementation follow-up system and a lack of publicity around the Management Action Record System.

IV. Conclusions and Recommendations

A. Conclusions

65. BDEV performed relatively well in terms of independence and credibility. As it is a shared responsibility, the performance is less than satisfactory in terms of utility, particularly on the part of Bank Management and its use of evaluations. Improvements can be made against all three criteria.

Independence

66. BDEV meets many of the standards of independence of evaluation. BDEV reports to the Board and is therefore structurally independent. The Board, for the first time, is selecting the Evaluator General, and holds the authority to dismiss him/her and thereby protects the Evaluator General from the risk of dismissal by senior leadership of the Bank. The Board has approved and continues to approve the work program and budget.
67. There are several areas in which BDEV faces potential risks to its independence.
 - a. **Level and Renewal Term of Evaluator General:** The decision to maintain or downgrade the position is taken by the Board rather than with interference by Management. However, in a highly hierarchical institution like the Bank, the grade level of the Evaluator General is important with regard his/her ability to speak truth to power. Any downgrade will affect the incoming incumbent’s position. In

addition, the renewal process of the term of the Evaluator General, which can be extended once, may entail the risk that the Evaluator General is put under pressure at that time, even if it seems not to have occurred in the past.

- b. **Budget:** The standard budget process can provide Bank Management with an opportunity to adjust allocations to BDEV. The process applies to the entire Bank (it does not affect BDEV more than other vice-presidencies), and risks have not materialized in that BDEV's budget has grown, at times well above the average allocations for the Bank as a whole.
- c. **Staffing:** In line with Bank practices, the President and HR Department make all final HR decisions. This can and has materially affected BDEV's staffing decisions and undermined its independence in HR matters. It has contributed to delays in filling positions of managers and staff, contributing to the vacancy rate of 26%.

- 68. Independence, in the sense of impartiality, is also affected by the absence of an updated manual that ensures all evaluations follow transparent good practice methods and processes. This issue is further discussed under credibility.
- 69. Conflict of interest guidelines exist to manage intellectual independence. However, there is no system in place to track whether conflicts of interest have arisen and how they have been dealt with or managed.

Credibility

- 70. BDEV has gained much in credibility over the past six years. Progress can be attributed to the personal credibility of the Evaluator General and improvements in the quality of evaluation reports, as documented in the independent assessment of BDEV's evaluations.
- 71. Challenges to credibility remain, particularly due to a high degree of variability in quality and credibility of evaluation reports. On multiple occasions this variability was due to the capacity of staff managing and overseeing evaluations, and the quality and familiarity of consultants with the Bank. A major shortcoming in this regard is the absence of an updated evaluation manual to define methods and processes which might introduce greater transparency in BDEV's work.
- 72. A potential risk to credibility could arise from the cost of evaluations. However, there are no reliable data to compare these costs, as they also depend on variables such as complexity and scope.

Utility

- 73. BDEV has invested in engaging with Management by increasing consultations in three important areas:
 - a. On the work program, which has shifted the program towards higher level evaluations that are timely and important to strategic discussions of the Board and Management;
 - b. During a number of (but not all) evaluations to create better understanding of evaluative insights and sponsor improved receptivity to evaluation findings; and

c. In terms of outreach (both internal and external), where greatest progress has been made, including sharing knowledge at key events including Evaluation Week, publications like briefs on evaluations or periodic publications such as “eVALUation Matters”, and capacity development that has resulted in the first African parliamentary forum for evaluation.

74. The Panel considers that BDEV’s considerable investments in communication are important but not sufficient to create an evaluation culture at the Bank. Action is needed on the part of the Bank’s senior leadership and the Operations Complexes to signal their commitment to effective engagement and use of evaluation lessons, continuous improvement, and results. The ongoing mid-term review of the ADF, the ADF replenishment and the GCI-VII processes provide opportunities for senior leadership to match shareholders’ demand for independent evaluations and Management’s follow-up actions.

B. Recommendations

To the African Development Bank Board

75. Some fine-tuning of the Evaluation Policy, budget and HR processes is necessary to further enhance independence. It is recommended to the Board to:

- Define in the Independent Evaluation Policy the grade level of the Evaluator General at Vice President level;
- Consider the adoption of an appointment for one term only of 5-6 years for the incoming Evaluator General, without the possibility for renewal or for any other position in the Bank, as it is the actual trend in other IFIs;
- Institutionalize a selection process for the Evaluator General that starts early enough to ensure smooth handover from one to the other;
- Determine how the Evaluation Policy can be revised to better ring-fence budget and human resource decisions in practice.

To the Bank Senior Management

76. Leadership of the Bank has respected the independence of BDEV. However, Senior Leadership should build on the asset of a strong independent evaluation function to enhance the Bank’s reputation and credibility (for instance in ADF and GCI negotiations), and to continuously learn from experience to improve services and results for clients. It is recommended, therefore, to:

- Signal consistently the need for improved learning and actively seek to use evaluation findings to create a stronger results, learning, and evaluation culture with a clear commitment not to isolate the BDEV Evaluator General from Senior Management policy discussions;

- Enhance the presence of experienced staff in evaluation reference groups and establish feedback practices within operational vice-presidencies, while encouraging operational staff to engage with BDEV in all knowledge sharing events and throughout the evaluation process;
- Reduce the time taken to prepare Management Responses to allow a timely release of evaluation findings. Management Responses may be restricted to Action Plans with timeframes and the units responsible for action implementation;
- Enhance the follow up of implementation of agreed evaluation recommendations.

To BDEV and to the Incoming Evaluator General

- The incoming Evaluator General should – further to a familiarization period - develop his/her strategic directions for the term period of the appointment and submit it for approval by the Board through CODE;
- The improved consultation process on the work program can be further strengthened by briefing Management about the final evaluation work program to create greater awareness;
- To ensure consistency of evaluation processes and enhanced evaluation methods, the draft BDEV manual (or handbook) should be finalized and implemented systematically to increase impartiality (objectivity in design and process), transparency, and credibility;
- Appropriate evaluation methods should be selected to ensure new insights are generated;
- Build up a system for budget planning and management for BDEV evaluations to ensure efficient resource use, and consider measures to deal with long delayed evaluations;
- Use the Senior Management Coordination Committee, and other such platforms, to brief leadership about strategic evaluations and discuss necessary follow-up actions;
- Enhance the awareness and use of the electronic platforms (website, EVRD) and increase their user-friendliness with dynamic features and effective search capabilities;
- Accelerate the procedures to fill the vacant positions and continue investing in staff development, including onboarding arrangements for new staff;
- Establish a system to monitor and record cases of conflict of interest and how they are managed.