

EvD Work Programme and Budget 2022

Final for Board Approval

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EBRD EVALUATION DEPARTMENT



European Bank
for Reconstruction and Development

Table of Contents

Executive Summary	3
1 Introduction	5
2 Work Programme for 2022-2024	5
2.1 <i>Vision & Strategic Plan</i>	5
2.2 <i>Work Programme (WP) Overview</i>	6
2.3 <i>Three-year rolling Work Programme</i>	8
2.4 <i>Other evaluation activities</i>	11
3 Budget for 2022	14
3.1 <i>Restructuring of EvD</i>	14
3.2 <i>Budget Overview: Historical and Projected</i>	16
4 Conclusions	17
Annex 1: Glossary of the EvD products.....	18

Executive Summary

(i) **The Independent Evaluation Department (EvD) evaluates the policies, strategies, operations, and special concerns of the European Bank for Reconstruction and Development Bank (EBRD) relating to organisational and operational effectiveness.** It contributes to achieving transition impact by providing feedback on performance and through evidence-based evaluation lessons and recommendations for Management. **The vision of EvD is to make independent evaluation useful and used for enhanced transition impact.**

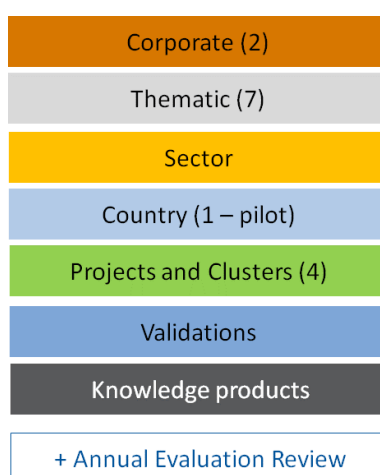
(ii) **EvD's Work Programme for 2022-2024 has been developed on the basis of delivering relevant, useful and timely evaluations.** Contextual factors which have shaped the selection of topics for the work programme include:

- EBRD strategic priorities, including commitments made under the 2021-2025 Strategic and Capital Framework (SCF) and the direction from the Board of Governors for the EBRD to become a majority-green Bank by 2025.
- Continued implementation of the recommendations made in the 2019 External Evaluation of EBRD's Evaluation Systems (Kirk Report), requiring substantial changes in systems and processes both within EvD and for Management.
- Restructuring of EvD, following the arrival of the new Chief Evaluator in June 2021.

(iii) **This Work Programme differs from previous years in four key aspects:**

- Transition to a three-year rolling Work Programme, to improve Management and Board visibility over EvD's strategic approach and pipeline of work.
- Rebalance of the product mix as per the Kirk report recommendation and introduction of Country Evaluations and Learning Products, both of which are standard practice for evaluation departments at MDBs but are 'new' in the EBRD context.
- Formal consultation process, with (i) Board members, (ii) Management stakeholders, including with a survey, on the timing and feasibility of potential topics and (iii) other accountability-focused departments, Internal Audit and the Independent Project Accountability Mechanism (IPAM), to share ideas and to discuss areas of coordination.
- The Work Programme now lists evaluations which will be delivered in the calendar year. Previously, the Work Programme listed evaluations which EvD delivered or launched in the calendar year. This change is to enable clearer planning and better Management and Board visibility over the delivery of evaluations and planning of the AC meetings over the year.

(iv) In 2022 EvD will deliver **14 evaluations** (seven of which started in 2021), plus the Annual Evaluation Review 2021 and learning products and info notes



(v) **In addition to our formal Work Programme commitments, EvD will continue to deliver validations of self-evaluation products as well as regular products such as the Annual Evaluation Review.** EvD also provides demand-led training, advice and consultation to both Management and Board on a range of topics, in particular highlighting lessons from prior EvD evaluations and providing comments on evaluability.

(vi) **Delivery by EvD on the Kirk Report's extensive recommendations will remain an area of significant effort in 2022.** Specific workstreams that EvD is initiating or continuing to implement internally include:

- Updating the EBRD's Evaluation Policy and related processes and systems (in collaboration with Management);
- Developing and launching a multi-year strategy for EvD;
- Implementing a strategic plan for its evaluation knowledge management approach;
- Designing an EvD results framework to monitor progress;
- Clarifying protocols for consistent implementation of EvD's work and clear engagement with Management.

(vii) **EvD also continues to support Management on the implementation of their Kirk Report recommendation, to strengthen and upgrade the EBRD's internal self-evaluation function.** Representatives from EvD have contributed to the Self-Evaluation & Results Management (SERM) working group, which has been a productive and cooperative relationship. Whilst recognising that the new self-evaluation system will need to be owned and implemented by Management, EvD continues to reiterate the importance of a system in line with international self-evaluation best practice, and which delivers upon the dual mandate of learning and accountability. Supporting Management in this process will be a key strategic priority for EvD in 2022.

(viii) **An additional priority for the coming years is to significantly strengthen evaluation knowledge management, including evaluation capacity building and the dissemination of evaluation findings to various internal and external audiences.** EvD aims to achieve this by creating a specialist Evaluation Knowledge Management (EKM) support unit and improving outreach and interaction with different stakeholders following the completion of an evaluation. EvD will work closely with Management, and in particular the restructured VP3, to coordinate on Learning and Knowledge Management within the EBRD and to ensure that the EKM unit helps support the development of a wider learning culture in the Bank.

(ix) **EvD's proposed 2022 budget is an increase of 2% from the budget set in 2021.** This budget request reflects the spirit of the Kirk report recommendations and the vision of the new EvD management, with more emphasis given to outreach and communication and evaluation knowledge management.

It is therefore proposed to pursue a specialisation-based realignment of the department and target the roll-out of its implementation by Q2 2022. The key changes are:

- A Corporate and Thematic Division – headed by a Director reporting to the Chief Evaluator: This division will focus on thematic- and corporate- level evaluations as well as the preparation of new knowledge products focusing on the learning objective of evaluation.
- A Sector and Project Division – headed by a Director reporting to the Chief Evaluator: This division will focus on projects-, country- and sector-evaluations as well as project validations.
- One of these Directors will also act as the Deputy and assist the Chief Evaluator in the strategic aspect of the work as well as with relationships with Board, Management and external counterparts.
- An Evaluation Knowledge Management (EKM) Support Unit – coordinated by a Principal reporting to the Chief Evaluator. The EKM unit will support evaluators in their responsibility to disseminate the results of their work to the right audiences so that independent evaluation can be relevant, timely and influential.

(x) **Based on a good understanding of the demand, the EKM unit will develop a strategic framework and ensure that evaluation findings, lessons and recommendations are presented in a user-friendly manner (i.e. using infographics, videos, etc.), and disseminated through the right channels, including social media, workshops, panel discussions, etc. within the EBRD and outside.** The EKM unit will also be in charge of developing evaluation capacity for (i) EvD staff members, to ensure they are up to speed with the latest evaluation methods and tools (including in the use of new technologies for evaluation) and (ii) EBRD staff, to help strengthen the EBRD's culture of evaluation and learning. Technical expertise will be accessed via consultants on an ad hoc basis.

(xi) **The proposed restructuring of EvD aims to fully embrace the Kirk Report recommendations and support the Bank in achieving its ambitious 2025 agenda.** It would allow EvD not only to address its urgent needs, i.e. developing a Mid-Term Strategy, enhancing its learning and knowledge management, etc. but also to grow in a sustainable and inclusive fashion implementing future adjustments within a flexible yet robust structure.

1 Introduction

1. **This document sets out EvD’s proposed Work Programme and Budget for 2022.** While the delivery for 2022 is final, the proposed topics for the following years are more indicative and will be discussed again in due time.

2. **This document also includes the budget request which would provide EvD with the requisite level of resources required to implement this Work Programme successfully.** Whilst the Work Programme provides a high-level overview of EvD’s planned activities, EvD also retains some spare capacity in order to be responsive to specific requests from Board and Management during the year.

3. EvD aims to be recognised as an influential authority on accountability and evaluation knowledge, driven by the principles of impact, excellence and teamwork. An underlying principle in the development of this work programme has been to identify relevant and useful evaluation topics, such that evaluation outputs are valued by our various audiences and are used to feed decision-making and implementation in a timely manner.

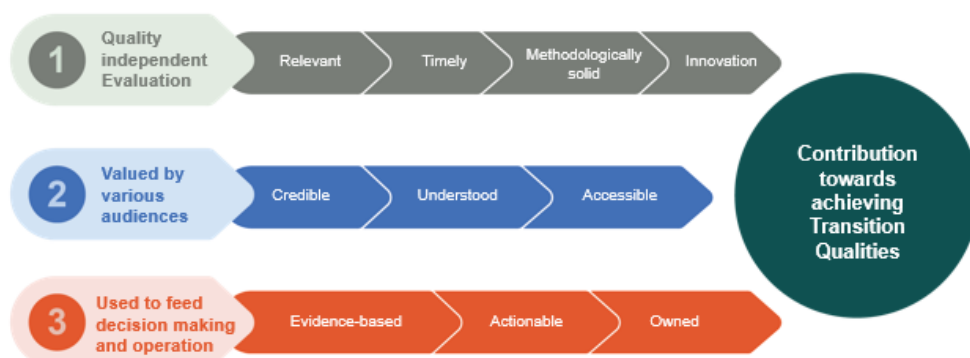
2 Work Programme for 2022-2024

2.1 Vision & Strategic Plan

4. **2021/2022 marks a period of transition for EvD; the new EvD Chief Evaluator, Véronique Salze-Lozac’h, joined in June 2021.** Since then, in addition to our mainstream evaluation outputs, our focus has been on delivering the recommendations contained within the Kirk Report. Several of these workstreams are at an early stage, with important components still to be finalised in 2022. Whilst EvD will continue to deliver on evaluation outputs, it will also be developing these strategic and institutional building blocks which will strengthen evaluation in the EBRD in the years ahead.

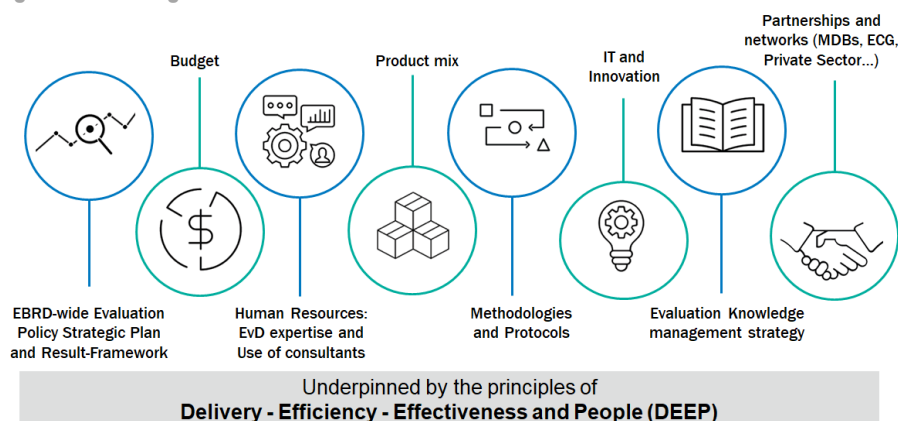
5. **EvD’s vision is to make independent evaluation useful and used, and thus influential, by providing timely high-value evaluation products which deliver accountability and learning.** EvD contributes to transition effectiveness through this dual function of accountability and learning, in complementarity with self-evaluation.

Figure 1: Making Evaluation Useful and Used



6. **The operationalisation of the EvD vision relies on 8 key building blocks, from the EBRD-wide Evaluation Policy to the Partnerships and networks, with an emphasis on Evaluation Knowledge Management**

Figure 2: Building Blocks of EvD Vision



2.2 Work Programme (WP) Overview

2.2.1 Taking stock of the 2021 WP

7. EvD has delivered the 2021 Work Programme (WP) on time and in line with expectations. The Work Programme is delivered using a phased approach, with eight major evaluations scheduled for completion in 2021 and seven which have been launched and in progress to be presented to the Audit Committee in 2022.

Figure 3: Summary of EvD Work Programme 2021 Deliverables

6 Complete	3 Presented to Audit Committee Q4 2021	7 on-going scheduled for 2022
<ol style="list-style-type: none"> Annual Evaluation Review 2020 The EBRD's Use of Nominee Directors for Equity Investments Trade Facilitation Programme Health Sector Interventions Hydrocarbon Investments (Project Cluster) Sustainable Infrastructure in ATCs (Project Cluster) 	<ol style="list-style-type: none"> Review of the SIP 2016-2021 Learning and Knowledge Management Solidarity Package Real Time Evaluation 	<ol style="list-style-type: none"> Evaluation of Public Sector Operations Shareholder Special Fund (SSF) ETC Initiative Solar Projects (Project Cluster) Venture Capital Investment Programme West Bank and Gaza Green Cities Programme

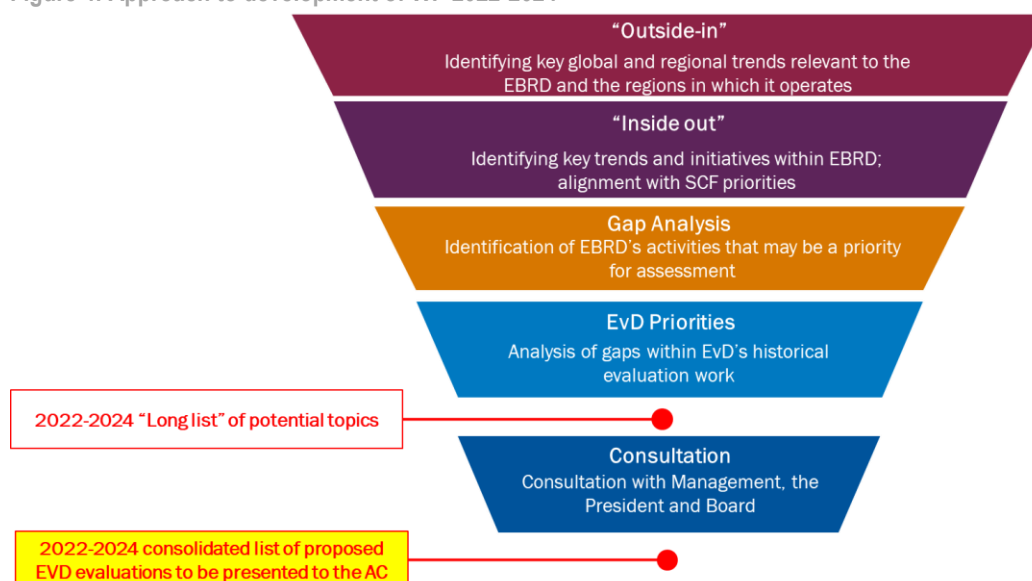
8. EvD proposes to change the structure of the Work Programme so that it now describes the evaluations EvD will deliver rather than launch in that calendar year. This change means that the eight on-going evaluations which are scheduled for delivery in 2022 (in the right hand column above) will now be included in the presentation of the 2022 Work Programme.

2.2.2 New approach to the development of the WP 2022-2024

9. Under the guidance of the new Chief Evaluator, this year EvD has piloted a more participatory approach towards developing the work programme, which helped identify relevant and useful evaluation topics that will support evidence-based decision-making at the EBRD.

10. EvD has also used this opportunity to transition from an annual work programme to a rolling three-year work programme, the rationale for which is to have a strategic approach to the selection of topics (aligned with the EvD mid-term strategy in the making) and to provide Board and Management with more time to plan and respond to evaluation topics.

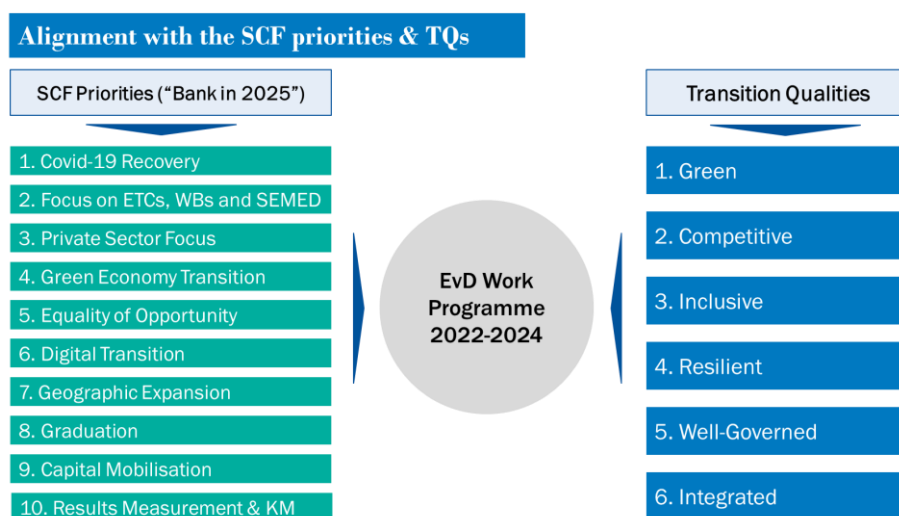
Figure 4: Approach to development of WP 2022-2024



- **Step 1: “Outside-in”** – Identifying key global and regional trends relevant to the EBRD and the regions in which it operates. EvD recognises the importance of being responsive to external trends.

- **Step 2: “Inside-Out”** – Identifying key trends and initiatives within the EBRD, and ensuring alignment with SCF priorities. In order to empower useful and evidence-based decision-making, it is critical that EvD integrates within the work programme topics which are high priority to the rest of the Bank and are fundamental to the Bank’s strategic direction.

Figure 5: Inside-Out Analysis : Identifying Key Internal Trends



- **Step 3: Gap analysis** – Identification of EBRD activities that may be a priority for assessment. This recognises that EvD has limited resources, and should focus on areas where it can be most additional, typically where the Bank faces an information “gap” that evaluation can help address.
- **Step 4: EvD priorities** – analysis of areas covered within EvD’s historical evaluation work. Thematic, sector, or geographic areas which EvD has not covered in recent evaluation work will be prioritised, to help ensure as widespread coverage across the Bank’s portfolio as is possible given resource constraints.
- **Step 5: Consultation** – Consultation with Management and the Board. A meeting with the President is scheduled on 18 November. EvD should not and has not developed this work programme in isolation. Stakeholder consultation is a key component towards identifying useful and relevant evaluation topics. With Board members the focus has been on strategic relevance and importance of the topics and with Management on the feasibility and timeliness of these topics. **EvD has also engaged with other accountability-focused teams within the EBRD.** There is regular high-level engagement between EvD, Internal Audit, and the Independent Project Accountability Mechanism (IPAM) to share ideas and to discuss areas of coordination.

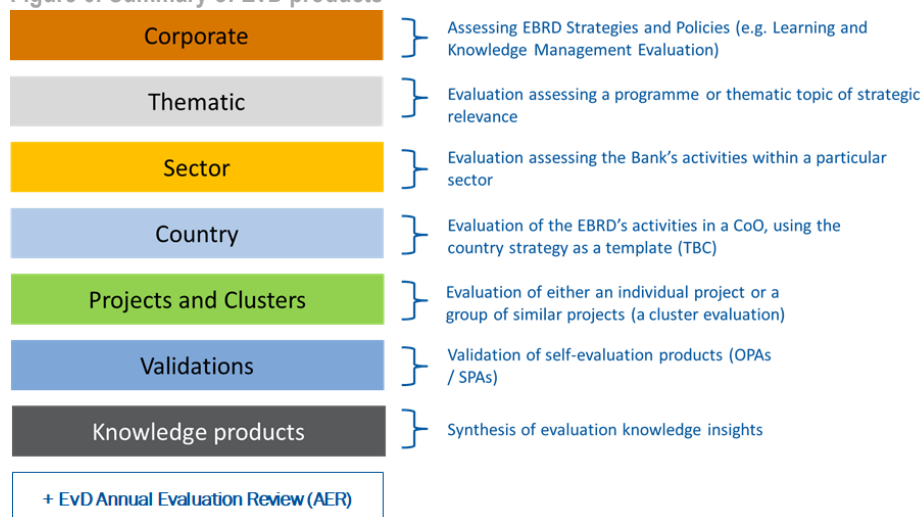
2.2.3 New Mix of Evaluation Products

11. **EvD’s priorities and product mix have adapted to institutional circumstances and opportunities**, including new institutional strategies and initiatives; changes in the Bank’s transition concept and delivery approaches; feedback on product value and performance; institutional learning needs and effectiveness; and, geographic expansion.

12. **The balance of products reflects observations and recommendations made in the Kirk Report, in particular with the reintroduction of product-level evaluations and of country evaluations (as a pilot in 2022).** EvD is also aware of the continuing impact of the COVID-19 pandemic and the importance of drawing lessons from this experience to be better prepared to future crisis. In response EvD has integrated a new rapid evaluation approach that may also be used for just in time assessments of other on-going crisis such as the climate one.

13. **A balance product mix that includes knowledge products** (contextual background evaluation products are defined in Annex 1.) Internal and external dissemination of findings and lessons will be integrated across most evaluation products.

Figure 6: Summary of EvD products



2.3 Three-year rolling Work Programme

14. **The presentation of the Work Programme lists evaluations that will be delivered rather than launched in the calendar year.** This implies that on-going evaluations which have started under the 2021 Work Programme and which will be delivered in 2022 have been relisted in the 2022 Work Programme. Several evaluation topics scheduled for delivery in 2023 will be initiated in 2022.

15. **The list of evaluation topics scheduled for delivery in 2022 is final,** while the list of evaluation topics scheduled for delivery in 2023 and 2024 has some flexibility. EvD will continue to engage with Board and Management to understand their strategic priorities before launching evaluations.

16. **EvD has indicated in the table below which evaluations scheduled for delivery in 2023 will be launched in 2022, and the tentative delivery dates for evaluations presented to the Audit Committee in 2022.** In addition, EvD has prepared initial descriptions of proposed evaluation topics for 2022. At this stage, for evaluations which have not yet started these descriptions are high-level and indicative; EvD will finalise the exact scope and methodology during the approach paper stage, with input via a consultation process with both Management and Board.

Table 1: Evaluation topics

	2022 Firm commitments	2023 To be discussed in 2022	2024 Indicative
Corporate (2-3 per year)	<ul style="list-style-type: none"> Shareholder Special Fund (Q2) Evaluability of Green Finance (Q4)^[1] 	<ul style="list-style-type: none"> Mid-term Evaluation of the SCF (to be launched in 2022) LC2 Evaluation (TBC) 	<ul style="list-style-type: none"> Ex-ante assessment of TI (ETI/PTI & ATQ) Reporting and Compliance Mechanisms (TBC) Safeguarding mechanisms (TBC)
Thematic (4-5 per year)	<ul style="list-style-type: none"> Public Sector Operations (Q1) West Bank and Gaza (Q1) Venture Capital Investment Programme [VCIP] (Q4) ETC Initiative (Q3) Green Cities (Q4) EBRD Policy Work (i.e. Performance measurement of Policy Dialogue) (Q4)^[1] Solidarity Package Rapid Evaluation #2 (Conterfactual Analysis) (Q2)^[1] 	<ul style="list-style-type: none"> Support for gender & vulnerable groups (launched in 2022) Blended finance (TBC) Evaluation of TQs #1: Resilience (pilot) Solidarity Package Rapid Evaluation # 3 (Synthesis & Final Assessment) EBRD alignment with the Paris Agreements 	<ul style="list-style-type: none"> EBRD contribution to creation of quality jobs (TBC) Evaluation of TQs #2: Inclusion (TBC) Evaluation of TQs #3: Green (TBC) EBRD Knowledge Solutions (External LKM) (TBC) Rapid assessment of support to the green agenda (TBC)
Sector (1-2 per year)		<ul style="list-style-type: none"> Agribusiness (launched in 2022) NPL Resolution Framework (TBC) 	<ul style="list-style-type: none"> ICT / Dlgitalisation (TBC) Tourism Sector
Country (1 per year)	<ul style="list-style-type: none"> Review of CSDRs and Country Pilot Evaluation (Q3)^[1] 	<ul style="list-style-type: none"> 1 Country Evaluation 	<ul style="list-style-type: none"> 1 Country Evaluation
Projects Cluster (2-3 per year)	<ul style="list-style-type: none"> Solar (Q2) 	<ul style="list-style-type: none"> Wind (launched by end-2021 – delivered in Q1 2023) MREL Transition Impact & Additionality (TBC) Climate Resilience (launched in 2022) Inclusion in Green Finance (TBC) 	<ul style="list-style-type: none"> Youth Inclusion in SEMED (TBC) Women in Business (TBC) Clean transport (TBC)
Project/ Operation (2-3 per year)	<ul style="list-style-type: none"> 2-3 Operation Evaluations (OEs) ^[1] Proposed topics for 2022 may include: <u>green bonds</u>, innovation in green financing, agribusinesses and wind 	<ul style="list-style-type: none"> 2-3 Operation Evaluations (OEs) 	<ul style="list-style-type: none"> 2-3 Operation Evaluations (OEs)

^[1] **new evaluations started and delivered in 2022**

TBC: To be confirmed

17. The proposed shortlist of **corporate evaluations** in 2022 are described in more detail below:

- **Shareholder Special Fund.** EvD is evaluating the Shareholder Special Fund (SSF), with a focus on the functionality of the SSF to support the Bank's mandate. The study will concentrate on processes and institutional architecture, rather than taking a result-based approach. This evaluation has already been launched, with a tentative delivery date of Q2 2022 for presentation to the Audit Committee.
- **Evaluability of Green Finance.** Under this topic, EvD will examine the results measurements systems and processes for the Bank's Green Finance projects to assess the extent to which the Bank's Green Finance projects are evaluable. The focus will not be on the results or effectiveness of Green Financing. The purpose of this exercise is to ensure that as the Bank evolves to becoming a "Green" MDB, it has the internal systems and processes in place to credibly measure and demonstrate the results of its green financing.

18. The topics for **thematic evaluations** EvD is proposing for delivery in 2022 are as follows:

- **Public Sector Operations.** EvD is currently preparing an assessment of the EBRD's public sector operations in infrastructure sectors (energy, transport and municipal) over the period 2010-2020. The set of Transition Qualities developed in 2016 were based on the premise that state involvement is critical for markets to function effectively, and in response to that the Bank's public sector financing has been gradually increasing. This evaluation has already been launched and will be presented to the Audit Committee in Q1 2022.
- **West Bank and Gaza.** EvD is currently conducting an evaluation of the EBRD's operations in West Bank and Gaza, scheduled for delivery to the Audit Committee in Q1 2022. This evaluation was agreed by Board and Management when the decision to start operations in West Bank and Gaza was taken, and will influence the next phase of the EBRD's activities in West Bank and Gaza from 2022 onwards. The insights from the evaluation could also be of use for Management and the Board in view of the EBRD's limited and incremental expansion into a select number of sub-Saharan African countries and Iraq.
- **Early Transition Countries Initiative (ETCI).** The Early Transition Countries (ETCs) are a key grouping of countries in Central Asia and Eastern Europe & the Caucasus with some of the widest transition gaps amongst the Bank's countries of operation. The 2021 Strategic Implementation Plan Scorecard prioritises investment in ETCs. EvD is evaluating the progress, results, and transition impact of the Bank's activities in ETCs against the priorities articulated in the 2017-2019 Approach. This evaluation has already been started, and is scheduled for delivery in Q3 2022.
- **Venture Capital Investment Programme (VCIP).** The VCIP has been operational since 2012, but never evaluated. The initial envelope of €100M (VCIP I) was increased to €250M (VCIP II). This evaluation will focus on the first framework; it is believed to be mature enough to yield useful insights into one of the Bank's more specialised instruments, with investments in a range of different countries. This evaluation, which also aims to help ensure a focus on the digitalisation agenda, has been started, and is tentatively scheduled for delivery in Q3 2022.
- **Green Cities Programme.** The Green Cities programme is a large and ambitious flagship programme for delivering the EBRD's green investment objectives. It combines significant investment with policy engagement and TC, and is now active in a wide range of cities across the EBRD's CoOs. EvD is planning an interim evaluation to identify initial results and their drivers to provide useful feedback to ongoing programme management. This evaluation has been started and is tentatively scheduled for delivery in Q4 2022.
- **Solidarity Package Rapid Evaluation – Series of Notes.** As a follow-on to the interim assessment of the Solidarity Package, EvD proposes two COVID-19 synthesis notes which review key components of both the Bank's response to the pandemic as well as the experience of other MDBs. These notes would form the building blocks of the final evaluation of the Solidarity Package (tentatively scheduled for 2023). Initial topics to cover include a counterfactual analysis that looks into the EBRD's partner bank clients that were supported through the Solidarity Package (SP) as well as examining pandemic-related trends in NPLs and debt sustainability at partner institutions (1H 2022).
- **EBRD Policy Work – Focus on Performance Measurement of Policy Dialogue.** Following the decision to reorganise VP3, EvD proposes conducting a high-level review of the Bank's Policy Work, looking at ways to measure performance and progress. This study would focus on the interrelationship and coherence between the Bank's projects, transition impact objectives, and policy dialogue, coordination on policy dialogue with other

international actors, and policy dialogue effectiveness and efficiency. Recommendations from this study will be directed towards the new VP3.

19. **Cluster evaluations:** EvD is conducting a cluster evaluation of a sample of the Bank’s investments in solar projects, as well as the associated policy dialogue activities the EBRD has undertaken to support the development of the sector. This study will be presented to the Audit Committee in Q2 2022.

Note: EvD also plans to conduct a similar evaluation of a sample of wind projects. This study is tentatively scheduled for delivery in Q2 2023 and will be based on three in-depth project evaluations, the first ones expected to be delivered in 2022.

20. **Project/Operation Evaluations:** In 2022, EvD proposes conducting three project-level evaluations, which would be an opportunity to deep-dive on strategically important projects, or projects with significant learning potential. At this point, EvD has not decided which projects to evaluate, as these deliverables are smaller and more stand-alone than a full evaluation study. EvD however proposes thematic areas, with the objective of helping to build the evidence base for later cluster and sector evaluations. EvD intends to conduct operation evaluation (OE) in the following three areas:

- **Green Bonds** –this project evaluation would help identify useful lessons and operational insights as the Bank plans to scale up this important instrument and to extend EvD’s coverage across the Green Agenda.
- **Innovation in Green Financing** – a project evaluation in this area would combine two key strategic interests for EvD, in evaluating innovation to identify useful lessons and expanding our coverage across the green agenda.
- **Agribusiness** – this operation evaluation would form an important component and case study for the Agribusiness sector evaluation, scheduled for delivery in 2023.
- **Wind** – similarly to agribusiness, this operation evaluation would form an important component and case study for the Wind cluster evaluation, scheduled for delivery in 2023.

21. **In the 2023 and 2024 Work Programmes, EvD has prioritised the selection of topics which respond to the major external trends affecting the Bank as well as the EBRD’s key strategic priorities.** Key highlights include the Mid-Term Evaluation of the SCF, the Bank’s support for gender, climate resilience, and the Solidarity Package.

2.4 Other evaluation activities

2.4.1 Implementation of Kirk Report Recommendations

22. **In addition to EvD’s standard products and services, there are also several ongoing workstreams in response to recommendations made in the Kirk Report.** These workstreams will help to strengthen evaluation within the EBRD, and improve EvD’s effectiveness and efficiency.

Figure 8: Kirk Report Recommendations

For EvD: 5 key recommendations



Three underlying conditions for success:

- Effective Engagement** of Management and Board on EvD recommendations
- Collaboration** in the implementation of recommendations to Board and Management as needed
- Resources** to support the commitment of EBRD to a solid evaluation function

23. **EvD’s implementation of these recommendations is detailed below. This is an ongoing process, requiring significant resources from within EvD as well as coordination with Board and Management.** Internal EvD working groups were created in July 2021 to implement the recommendations.

- **Revising the Evaluation Policy:** As noted in the Kirk Report, the Evaluation Policy was approved in January 2013. Since then, there have been significant developments in how the Bank operates and in the approach to results measurement. These include the development of the “transition qualities” concept and the hand-over of self-evaluation to Management. These changes mean the Evaluation Policy is now out of date and in need of renewal. The Kirk Report recommended that EvD upgrade the Evaluation Policy and cover both self and independent evaluation. Board and EvD concurred with this view. An EvD working group is currently focusing on collecting information from other IFIs. A joint EvD-Management working group will soon be created for close collaboration on this topic.
- **Developing a Mid-Term Evaluation Strategy:** The Kirk Report also recommended that EvD prepare a multi-year strategic plan for the department, which sets out the medium-term direction, priorities, and resource expectations. EvD accepted this recommendation, although implementation was delayed until the new Chief Evaluator arrived. A working group has been formed to begin developing the strategy. Although not developed yet, elements of this strategy can be found in this work programme with the aim of EvD accompanying the EBRD in its transition towards being a greener bank, with more focus on the production and use of knowledge.
- **Designing an EvD Results Framework:** In order to provide a clearer assessment of EvD’s effectiveness, and highlight potential ways to strengthen evaluation. This also aligns EvD with best practice, with the evaluation departments of other MDBs also starting to operate under results frameworks. EvD will build upon good practices from others to develop a unique results framework adapted to its own needs and context.
- **Reviewing the Evaluation Operations Manual/EvD Protocols:** Updating the Protocols to cover changes in EvD’s operation mix, the development of a self-evaluation unit inside Management, and changes to the evaluation policy. Clearly codifying and structuring these changes will help ensure greater effectiveness and efficiency within EvD and in its interaction with Management.

24. **EvD will continue advising Management on the development of a self-evaluation system:** The Kirk Report recommended the development of a new self-evaluation system, owned and implemented by Management. In response to this recommendation and finding, Management agreed to design an enhanced self-evaluation system, owned by Management and operating under the Bank’s Evaluation Policy. EvD is also a consumer of self-evaluation products, which can form an important database for evaluations and learning products, and validates a sample of self-evaluation products each year. EvD is thus materially affected by the development of a new self-evaluation system in multiple areas.

25. **Management have articulated several key components of how they intend to implement this new self-evaluation system, some of which raise significant concern for EvD and which are contrary to wider best practice on effective self-evaluation.** EvD highlighted the complementarity of accountability and learning, and the limited value of a self-evaluation system which aims to do the latter and not the former; and the risk of self-evaluation systems with no demand-driven or mandatory component. More broadly, it is critical to ensure that the proposed self-evaluation does not evolve in isolation from the wider changes in the Bank’s results architecture. Without robust project results frameworks and improved data collection, self-evaluation products will not effectively deliver substantive learning material nor provide an adequate assessment of project performance.

2.4.2 Evaluation Knowledge Management 2022-2024

26. **A key recommendation of the Kirk Report is to strengthen knowledge management both within EvD as well as the rest of the Bank.** To operationalise that recommendation, EvD conducted an internal evaluation of Learning and Knowledge Management within the EBRD, as well as a review of Evaluation Knowledge Management within EvD, led by an external consultant.

27. **Building on EvD’s findings from those workstreams, a key strategic priority for EvD is to develop its Evaluation Knowledge Management (EKM) capacity.** This comprises outreach and communication, as well as evaluation capacity development. EvD is therefore proposing to create a dedicated EKM unit, which will help in the communication and dissemination of evaluation findings, and improve EvD’s outreach to Board, Management, and other key audiences.

28. **This support unit will develop a Knowledge Management Strategy for EvD and implement new dissemination and outreach activities.** This will directly address the recommendation from the Kirk report. Based on a good understanding of the demand from our audiences, the EKM unit will ensure that evaluation findings, lessons and recommendations are presented in a user-friendly manner (i.e. using infographics, videos, etc.), and disseminated through the right channels, including social media, workshops, panel discussions, etc. within the EBRD and outside.

29. **The EKM unit will support evaluators in their responsibility to disseminate the results of their work to the right audience and at the right time so that independent evaluation can be relevant, timely and influential.** Moreover, to address the need of an organisation like the EBRD that aspires to become more of a knowledge organisation, and to respond to the demand from the Board and from EBRD colleagues to focus on learning, EvD will also start producing more knowledge products. Short and timely compilations of evidence and lessons informing topics of particular interest for the Bank will be aimed at feeding into Board decisions, creating one more learning loop.

30. **The EKM unit will also be in charge of developing evaluation capacity for (i) EvD staff members, to ensure they are up to speed with the latest evaluation methods and tools (including in the use of new technologies for evaluation) and (ii) EBRD staff, to build a strong culture of evaluation and learning.** EvD traditionally provides various advisory and training activities including: evaluation components of core banker training courses; training for the portfolio group on OPAs and validations; evaluation training and hands-on advisory work in specific cases; evaluation-specific presentations to operations teams; and, tailored training and briefing offerings to staff in residential offices. To achieve these goals, the EKM coordinator will work closely with all evaluators under the direct oversight of the Chief Evaluator. Technical expertise will also be accessed via consultants on an ad hoc basis. An analyst will assist the EKM coordinator in this task.

2.4.3 EvD advisory services

31. **In addition, EvD has made itself available as an on-call resource to Board Directors and advisors.** Primarily, this takes the form of “Info Notes”, which summarise EvD’s experience and insights on a particular topic. In 2021, EvD has submitted over 10 Info Notes to the Board in 2021, including most recently EvD’s preliminary comments on the draft Approach to Accelerating Digital Transition 2021-2025.

32. On more complex, technical evaluations, EvD has also run workshops for Directors and Advisors. An example includes the workshop on the Health Sector Strategy Evaluation, which provided an open environment for Board Directors and Advisors to explore the topic in depth and for the evaluation team and expert consultant to answer questions.

33. **EvD also provides additional ad hoc advisory work to Management,** including through special purpose working groups and Communities of Practice. Ongoing working groups involving EvD and expected to continue into 2022 include the redesign of the self-evaluation system, further strengthening the results architecture, and learning and knowledge management.

3 Budget for 2022

3.1 Restructuring of EvD

34. **One of the SCF 2021-2025 priorities for the Bank is “Strengthening its capacity to make use of evaluation findings to improve the design and impact of operations, as well as knowledge management.”** (Box 1- “the Bank in 2025” p.16). The Kirk Report strongly recommended strengthening the evaluation knowledge management function in the EBRD.

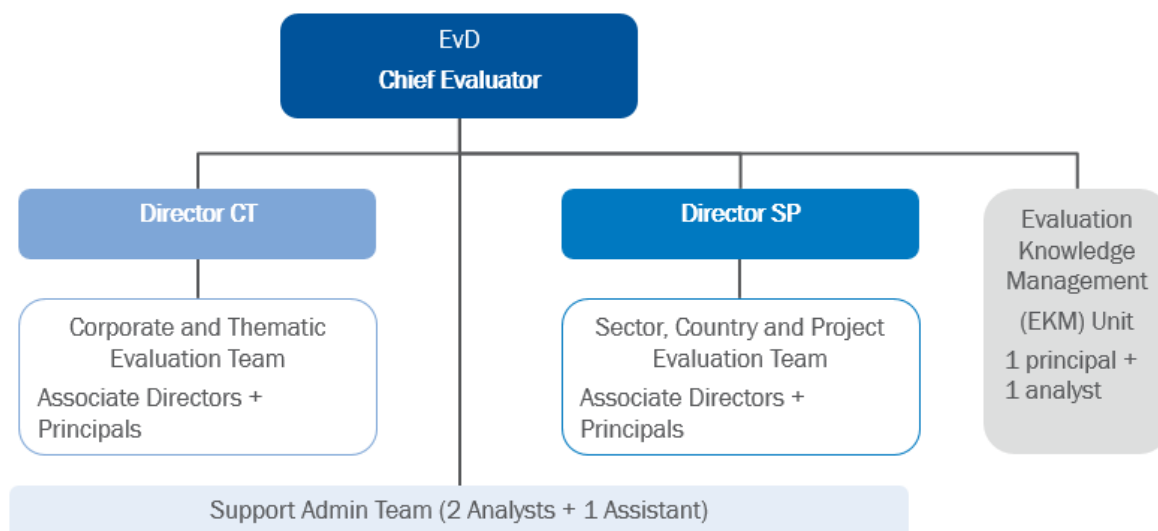
35. The Kirk Report also observed that comparative to other MDBs, evaluation is under-funded within the EBRD, and recommended that the Board consider a significant increase in budget resources. The proposed revised structure is motivated by two main drivers:

- **Agility, flexibility and sustainability in the medium-long term:** as highlighted by the Kirk Report EvD needs to evolve and grow in order to support the Bank in achieving its priorities as set in the SCF 2021-2025. Therefore, in order to ensure a solid and sustainable structure for the Evaluation department, the reorganisation should focus on two main areas:
 1. Implementing the Kirk Report recommendations while ensuring an impeccable delivery of the EvD work programme, including the new product mix. As set out in the Work Programme 2022-2024, EvD is launching an innovative new product mix, including Real-Time Evaluations, Knowledge Products, Country-level Evaluation, etc., whilst continuing to focus on delivering the Kirk Report recommendations.
 2. Creation of an Evaluation Knowledge Management (EKM) Support Unit in order to enhance the dissemination of EvD’s findings, lessons and recommendations that are useful and used by Board members, EBRD Management and staff, and external audiences as high value evidence for decision making.
- **Best practices from other IFIs’ evaluation departments:** the structure illustrated is a “gold standard” and the most common practice across IFIs. For instance, the Independent Evaluation Departments of both AfDB (IDEV) and the ADB (IED) are built around two divisions focusing on delivering evaluation products plus one support unit dedicated to evaluation knowledge and capacity development. Also, the evaluation departments at IDB and EIB follow the same logic. This structure allows a degree of flexibility in a solid delivery framework, ensuring a robust chain of command and adaptability to different needs.

36. The department will, however ensure mobility of staff across the two divisions for optimum team work and use of expertise.. EvD management will encourage working in team, including across divisions, and staff will be able to have exposure to projects led by other teams in EvD. This will both promote the professional development of EvD staff, and help ensure a holistic approach across all EvD deliverables.

37. **The proposed new structure is underpinned by the DEEP principles of: Delivery, Effectiveness, Efficiency and People and includes two divisions for the delivery of the EvD Work Programme.** It is proposed to organise EvD along its core delivery function, with two divisions, each headed by a director in charge of the timely delivery of high quality evaluation products. One division for projects-, country- and sector-evaluations as well as project validations, and one division for Corporate- and Thematic- level evaluations as well as the preparation of new knowledge products focusing on the learning objective of evaluation.

Figure 9: Proposed EvD Restructuring



- **EVD Delivery Division (Unit) for Sectors, Countries and Projects (SP)** - headed by a Director.
- **EVD Delivery Division (Unit) for Corporate and Thematic (CT)** - headed by a Director.
- **EVD Support Unit for Evaluation and Knowledge Management (EKM)** - under the direct supervision of the Chief Evaluator with EKM coordinator position supported by one Analyst (existing position).

38. **As work to develop the EvD Mid-Term Strategy 2022-2025 is underway, a phased approach will be favoured.** This approach will ensure EvD builds the foundation and develops the right activities to optimum use of its resources and capacities. The phased approach is illustrated in the Figure below:

Figure 10: EvD Value Proposition (“3-phase strategic approach”)



39. New activities will include:

- **Updating the Evaluation Policy:** This update would include important new components of evaluation within the EBRD, such as the new distinction between independent and self-evaluation, as well as the integration of the Transition Qualities.
- **Developing an EvD Results Framework:** EvD is developing and implementing an EvD results framework measuring progress in achieving its objectives and assessing departmental performance.
- **Increasing engagement with Management on a variety of topics:** Particular priorities include strengthening the EBRD results management system, in view of its ambitious goal of becoming a green bank by 2025.
- **Increasing engagement with Board and Management** at the beginning and at the end of the evaluation process. At the beginning: for better understanding of the context and the type of evidence that will be useful. At the end: for better dissemination of the results and ensuring findings are used, lessons are learned and recommendations are implemented. Enhanced engagement with Board and Management as needed to inform the decision making process with evaluation comments, findings and lessons.
- **Revising the Protocols:** A revised set of EvD protocols will help safeguard the delivery of high quality evaluations in EvD’s work programme, in line with the Evaluation Policy, other policies of the Bank, and

international standards. This will be a living document that will be updated and improved on an on-going basis to ensure we learn from experience to enhance efficiency and effectiveness.

- **Adopting an ambitious evaluation knowledge management strategy** including improved formatting and presentation of reports and knowledge products, organisation of workshops and panel discussions in the EBRD and outside, production and dissemination of videos, use of social media, blogs, etc.
- **Launching Knowledge products:** EvD will produce timely knowledge products aimed at strengthening the learning function of evaluation on topics of strategic importance for the EBRD, its CoOs and clients. The products will be largely disseminated within the EBRD and outside, including with workshops and participation in knowledge events.
- **Supporting Self-evaluation:** EvD will continue to collaborate with Management to ensure a good articulation of self- and independent evaluation (Kirk report recommendation) and a robust results management system for the EBRD.
- **Forming Partnerships:** EvD will increase reach-out to external partners (IFIs and others) to exchange experience, join efforts and learn from each other.

40. These incremental activities will be made possible by the restructuring, the proposed additional positions, the proposed modest budget increase, and by a mobilisation of existing EvD staff to participate in this collective effort.

3.2 Budget Overview: Historical and Projected

41. EvD has worked closely with the Budget team in developing this budget proposal. The 2022 EvD budget reflects:

- **Requested increase:** upgrading an existing AD level position to Director that would not be replaced, one assistant position to replace the analyst moved to EKM and one new position at Principal (II) as the coordinator of the EKM support unit.
- **Savings:** downgrade the pricing of one AD to Principal (vacancy advertised at 80% MRP; recruitment for this position is currently ongoing), a cut in consultancy work of around 40% (from £250k in 2021 to £150k in 2022) as agreed with the Budget team

42. This proposal will help EvD to deliver its objective of strengthening internal capacity, and enable the creation of a bespoke Evaluation Knowledge Management unit to support learning both within EvD and the rest of the organisation.

Table 2 – Historical and Projected EvD Budget

£'000	2016 Budget FY	2017 Budget FY	2018 Budget FY	2019 Budget FY	2020 Budget FY	2021 Budget FY	2022 Indicative Budget ⁽¹⁾ FY
Gross Salary	1,378	1,422	1,505	1,557	1,612	1,763	1,866
Benefits	863	821	950	996	1,048	1,146	1,213
Other staff costs	2	2	2	2	2	2	1
Total Staff costs	2,243	2,245	2,457	2,555	2,661	2,911	3,079
Consultancy	707	600	450	400	300	250	150
Travel	100	101	75	78	100	81	77
Other	60	63	66	55	51	50	50
Total Non-Staff costs	867	764	591	533	451	381	277
Total Direct costs	3,110	3,008	3,048	3,088	3,111	3,292	3,356
Headcount	18	18	19	19	20	21	23

(1) Reduction in consultancy budget by Finance to reflect historical trend, to be reviewed in 2022 with consideration to a new operating model.
Travel budget reflects proposed 5% Bank-wide reduction.
Staff costs budget includes structural changes proposed by EVD.

43. EvD's total budget request is for £3,356k, which is an increase of 2% on the 2021 budget. This is the product of a gradual increase in the staff cost (from 18 staff members in 2017 to 21 in 2020) and a substantial decrease of c.a. 50% in non-staff costs (from £764k in 2017 to £381k in 2021), driven by -58% in consultancy work and -20% in travelling.

44. **It is to be noted that, to ensure delivery of a higher number of evaluation products and enhanced evaluation knowledge dissemination, the business model to be adopted in the coming years, will include increased use of external experts and consultants.** This specialised external support is aimed to complement the EvD teams with specific topical expertise for evaluations, specific technical skills (e.g. big data analysis or video production) and enhanced quality check (e.g. peer review). This business model will imply greater use of the consultant budget that was regularly underspent in recent years.

4 Conclusions

45. **EvD's vision is to deliver independent evaluations which are useful and used for enhanced transition impact. In developing this Work Programme, the intention has been to prioritise the selection of relevant and timely evaluation topics which support evidence-based decision making at both Board and Management level.** EvD has welcomed input from the Audit Committee and from the Board in the selection of Work Programme topics. In particular, as the principal "client" for EvD evaluations, the perspective of Board Directors is immensely valuable in maximising the usefulness and influence of EvD evaluations. Feedback from Management has also been extremely valuable, providing information that helped refine the selection of topics and the timing of evaluation but also creating a sense of common objectives of enhanced accountability and learning in selected areas.

46. **A key risk EvD faces in delivering upon this Work Programme is in ensuring its ongoing access to information. Without efficient and easy access to internal EBRD IT systems,** EvD cannot collect and analyse the data required to produce high-quality evaluations. Following a positive and extensive discussion with Management and with the support of the Board of Directors, EvD is confident that its specific needs to access data will be addressed rapidly in order to enable the EBRD's independent evaluation function to operate effectively. EvD will keep Board members informed of progress on this front.

47. **Although this Work Programme provides an overview of EvD's expected deliverables in 2022, the team retains flexibility in order to respond to evolving priorities from Board.** The new approach using a three-year rolling Work Programme is aimed at striking a balance between setting a clear vision for EvD's deliverables whilst also remaining agile and responsive. EvD remains open to requests for support from the Board in 2022 outside of the approved Work Programme. This helps ensure that EvD can deliver high-quality and timely support as necessary.

Annex 1: Glossary of the EvD products

As contextual background evaluation products are defined as follows:

- **Corporate Evaluations** - Corporate evaluations focus on internal strategies, policies, processes, and organisational structures. An example of a recent corporate evaluation was the EvD evaluation of the EBRD's Learning and Knowledge Management. Whilst not focusing on transition results or outcomes, corporate evaluations can lead to important practical recommendations to improve institutional performance and coherence.
- **Thematic evaluations** - Thematic evaluations provide insight into performance management, results identification and internal learning within a particular thematic area. Thematic evaluations are an important opportunity to enable EvD to take an in-depth or cross-cutting approach on key issues. Thematic evaluations present analysis, provide performance feedback and identify gaps and opportunities in systems, methods or resources that can contribute to performance.
- **Sector evaluations** - Sector evaluations assess the Bank's performance and achievements within a particular sector. Sector evaluations are often designed to feed into the development of new sector strategies, by providing insights into performance management, results identification and internal learning under the previous sector strategy. Previous sector strategies conducted by EvD include an evaluation of the Transport Sector in 2018, and an evaluation of the Energy Sector in 2017.
- **Country evaluations** - Country evaluations assess the Bank's performance and achievements within a particular Country of Operation. Although common in other MDBs, Country-level evaluations were discontinued in the EBRD and will be reintroduced as a pilot. As with sector evaluations, country evaluations will be timed to influence the development of future country strategies, with evaluation outputs delivered to coincide with the kick-off for the next iteration of the selected country strategy.
- **Project and Cluster evaluations** - Project-specific evaluations provide a close review of individual or clusters of projects, covering design, implementation, monitoring and effectiveness. The primary goal is to ascertain the drivers of performance and draw operationally useful lessons for the future. In cluster evaluations, EvD evaluates clusters of similar projects. They provide great value by drawing findings from a larger body of evidence and assessing design and performance features in different circumstances. EvD will also conduct single-project evaluations of carefully selected strategic projects chosen with feedback from Board and Management. These provide a rich and in-depth assessment of a project's performance and implementation.
- **Validations of self-evaluated projects** - Following the implementation of the Kirk Report recommendations, self-evaluation is now, as it should be, overseen by Management. EvD continues to validate a sample of self-evaluations, and provide a summary of validations to the Board. A validation is not as extensive as an evaluation; typically, it is a desk-review that draws on pre-existing documentation and does not involve primary data collection, interviews with external stakeholders, or field trips. Historically, the primary self-evaluation product was the Operational Performance Assessment (OPA). EvD validations have been called OPA Validations (OPAVs). 2022 marks a transition year for the self-evaluation system, and Management is currently in the process of developing a new process of self-evaluation, with a new set of self-evaluation products. EvD's understanding is that Management will continue to produce OPAs in 2022, and start producing new self-evaluation products in 2023. Management have engaged with EvD on the OPA workplan for 2022, and discussions on that are ongoing.
- **Learning Products** - EvD prepares learning products which synthesise key insights from evaluations conducted by EvD as well as other IFIs and relevant institutions, supplemented with other secondary research. Instead of providing an assessment of institutional performance, learning products summarise best practices and lessons from within the Bank and elsewhere. Learning products are aimed at both an internal and external audience, and serve to improve institutional performance through lesson sharing whilst also highlighting observations from the EBRD's experience for the benefit of external stakeholders.