



European Bank
for Reconstruction and Development

ANNUAL EVALUATION REVIEW 2021

Agility in times of change



www.ebrd.com/evaluation

Scope of EvD's Work

The independent Evaluation Department (EvD) contributes to increased accountability and learning within the EBRD. It independently and systematically evaluates the EBRD's activities. EvD conducts evaluation at corporate, thematic, sector, country, cluster of projects and individual project level.

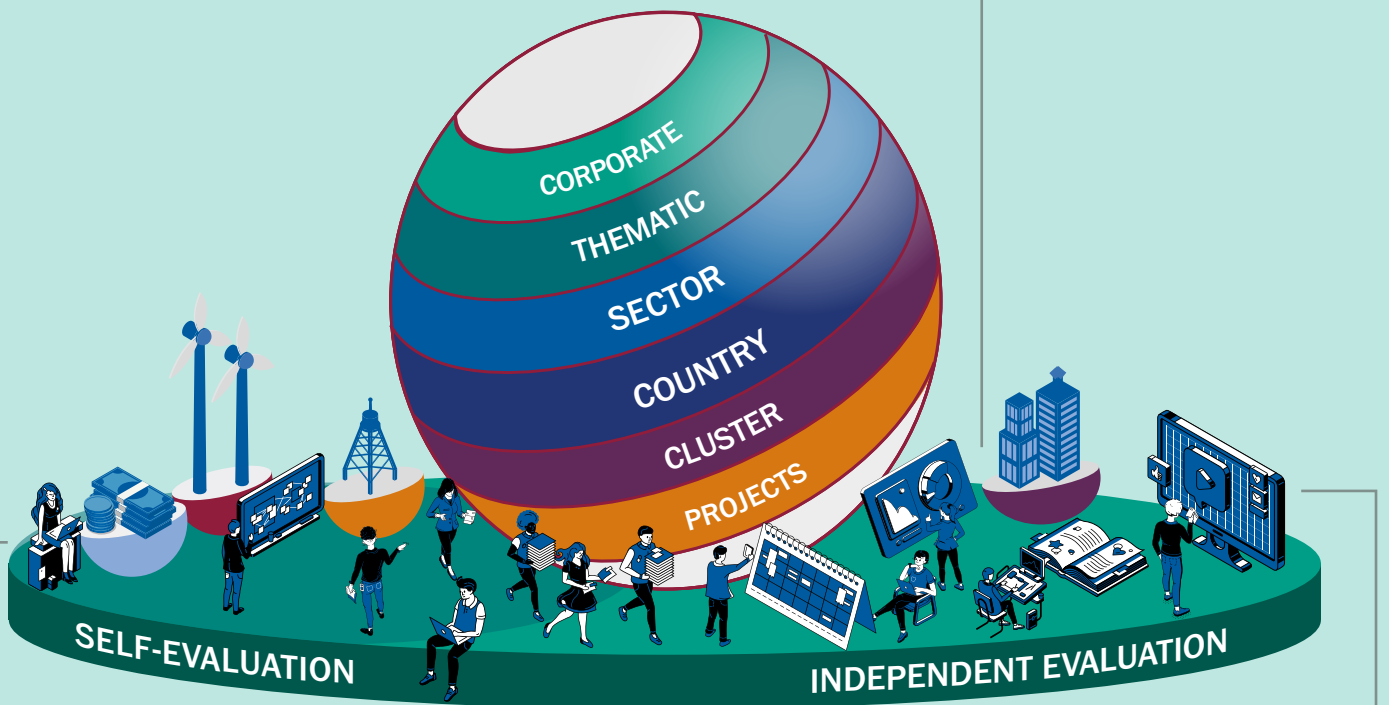
EvD also validates self-evaluation products, providing an independent review of findings generated by the EBRD's operational self-evaluation system. Drawing upon both evaluations and validations of self-evaluations, EvD produces knowledge products, distilling evidence-based lessons from evaluation.

Self-evaluation

Operation assessments conducted by those who implemented the project, programme, strategy, etc.

Independent evaluation

Independent, unbiased and evidence-based assessment for accountability and learning



Validation

Independent review of the robustness of self-evaluations

Knowledge products

“Connecting the Dots” series, Information Notes, etc.

The Evaluation Department (EvD) at the EBRD reports directly to the Board of Directors, and is independent from the Bank's Management. This independence ensures that EvD can perform two critical functions, reinforcing institutional accountability for the achievement of results; and, providing objective analysis and relevant findings to inform operational choices and to improve performance over time. EvD evaluates the performance of the Bank's completed projects and programmes relative to objectives. Whilst EvD considers Management's views in preparing its evaluations, it alone makes the final decisions about the content of its reports.

This report has been prepared by EvD independently and is circulated under the authority of the Chief Evaluator. The views expressed herein do not necessarily reflect those of EBRD Management or its Board of Directors. Management was invited to comment on this report prior to internal publication. Any comments received were considered and incorporated at the discretion of EvD.

© **European Bank for Reconstruction and Development**
One Exchange Square
London EC2A 2JN
United Kingdom

Website: ebrd.com/evaluation

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, without the written permission of the copyright holder. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

Terms and names used in this report to refer to geographical or other territories, political and economic groupings and units, do not constitute and should not be construed as constituting an express or implied position, endorsement, acceptance or expression of opinion by the European Bank for Reconstruction and Development or its members concerning the status of any country, territory, grouping and unit, or delimitation of its borders, or sovereignty.

Table of contents

Foreword	1
Executive Summary	2
1 A new direction for evaluation at the EBRD	4
1.1 EvD's vision: making evaluation useful and used	5
1.2 EvD's approach to delivery	8
2 Contribution to learning and accountability	12
2.1 What the Bank learned from independent evaluation in 2021	13
2.2 Evaluation knowledge management: reaching out and being influential	15
3 Independent validation and implementation of evaluation recommendations	21
3.1 Towards a more useful self-evaluation and independent validation system	22
3.2 Maximising the potential of evaluation recommendations	24
4 Outlook for 2022	27
4.1 Evaluating in a challenging context	27
4.2 Helping the Bank to fulfil its mandate	28
4.3 Looking forward to working together	30
Annexes	31
Annex 1 Introducing EvD staff	32
Annex 2 EvD products delivered in 2021	33
Annex 3 Overview of EvD Work Programme 2022–2024	54



Agility in times
of change

Foreword

2021 was marked by the continuing challenge of the Covid-19 pandemic, which caused severe economic and social dislocation across the globe. 2022 has started with its own crisis, the Russian-led War on Ukraine. To both crises, the EBRD has reacted very rapidly, being the first Multilateral Development Bank (MDB) to implement a dedicated “Solidarity Package” to address the Covid-19 pandemic and launching a Resilience Framework in response to the War on Ukraine.

Agility emerged as a key theme in 2021. Agility to meet the evolving needs of the Bank’s clients against this context of uncertainty, but also agility to use independent evaluation to capture early lessons and create a learning loop.

This 2021 Annual Evaluation Review (AER) highlights the role of the independent Evaluation Department (EvD) in supporting the EBRD’s agility by delivering relevant and timely evaluations to inform the Bank’s decision making. EvD’s rapid assessment of the Solidarity Package is a clear example of agile evaluation.

Amidst these crises, the delivery of the EBRD Strategic and Capital Framework 2021–25 remains pivotal. EvD’s Work Programme for

2022–24 supplied a framework for assessing progress towards the Bank’s ambitions of becoming a “green” MDB, supporting the digital transition, and addressing ongoing inclusion inequalities in the EBRD’s regions.

Independent evaluation is playing an important role in supporting the EBRD in the delivery of its long-term objectives by helping to strengthen results management, learning and the use of evaluation findings to improve performance. Beyond delivering evaluations, EvD is currently working with management on updating the Evaluation Policy and providing advice on the design of a new self-evaluation system.

In 2021, the Board recognised EvD’s new focus on communication, outreach, and knowledge sharing. This followed the arrival of the new Chief Evaluator, Véronique Salze-Lozac’h, who has prioritised strengthening EvD’s capacity to communicate and disseminate evaluation findings in support of her vision to make evaluation “useful and used”. We have already seen tangible outcomes from this process, such as the use of videos, infographics and knowledge products. The new “Connecting the Dots” series on lessons from evaluation was also relevant and timely, with helpful



briefs on climate finance, gender mainstreaming, investing in Sub-Saharan Africa, and operating in Egypt, which informed ongoing Board discussions on these critical topics.

As demonstrated by this year’s Annual Evaluation Review, independent evaluation plays a key role in the EBRD’s institutional architecture, for mutually reinforcing learning and accountability.

The Board values EvD’s independent analysis, and looks forward to EvD’s continuing contribution in 2022 to support the EBRD in fulfilling its mission, which is more important than ever in these times of crisis and change.

A handwritten signature in black ink, appearing to read 'David Avarello', written over a light blue horizontal line.

David Avarello
Chair of the Audit Committee
Board of Directors

Executive Summary

The Annual Evaluation Review (AER) 2021 provides an overview of the Evaluation Department's (EvD) key activities from the last calendar year.

The theme of this year's AER is *Agility in Times of Change*, which reflects the flexibility and adaptability that has been critical for EvD to continue to deliver relevant and timely evaluation products in what has been a uniquely challenging set of circumstances.

Chapter 1

A new direction for evaluation at the EBRD

2021 marked a new direction for evaluation within the EBRD, with the arrival in June of the new Chief Evaluator, Véronique Salze-Lozac'h, and her vision to make evaluation "useful and used", along with the ongoing implementation of recommendations from the 2019 Independent External Evaluation of the EBRD's Evaluation System (the Kirk Report).¹ EvD's new direction has three central strategic priorities:

1. Continuing to ensure the delivery of high-quality evaluations;
2. Enhancing outreach, knowledge sharing and presence;
3. Strengthening the role of the independent evaluation function as part of the EBRD's overall governance and knowledge architecture. Underpinning this new direction is the principle of agility, staying flexible and responding rapidly to a changing external context, without losing sight of the long-term priorities of the Bank.

Chapter 2

Contribution to learning and accountability

EvD has contributed to learning and accountability in 2021. Across all of the evaluations delivered by EvD in 2021, three central themes emerged where evaluation contributed with key findings and lessons:

1. Learning in times of crisis;
2. Preparing for green transition;
3. Improving learning and reporting on transition.

EvD's renewed focus on Evaluation Knowledge Management has also led to tangible outcomes in 2021, including the successful launch of a new knowledge product, the "Connecting the Dots" series, as well as the innovative use of videos to disseminate evaluation findings. This chapter also explores the underlying reasons behind why some evaluation products are more successful than others in being influential and a catalyst for change. A key trend in understanding the success factors of different evaluation products is agility, timeliness and staying aware of evolving circumstances and how decision makers can benefit from independent evaluation.

Chapter 3

Independent validation and implementation of evaluation recommendations

A breakdown of EvD's project-level performance assessments as well as of the adoption and implementation of EvD recommendations in 2021 are presented in Chapter 3. This provides an overview of EvD's ratings and examples of adoption of EvD's recommendations.

Chapter 4

Outlook for 2022

¹ *Independent External Evaluation of the EBRD's Evaluation System*, Colin Kirk, CS/AU/19-37

Finally, Chapter 4 presents the outlook for EvD in 2022, with a focus on the major evaluations that EvD intends to deliver. EvD's work programme for 2022–24 was developed in close consultation with management and the Board, and is designed to provide comprehensive coverage across the priorities of the Bank's Strategic and Capital Framework (SCF) 2021–25. In 2022, EvD will produce several evaluations focusing on areas of importance for the EBRD, including studies on the EBRD's Green Cities Programme and Early Transition Countries Initiative, as well as review of the Bank's solar investments, amongst others.

“EvD is showing agility in times of crisis while remaining focused on the long-term strategic priorities of the EBRD”

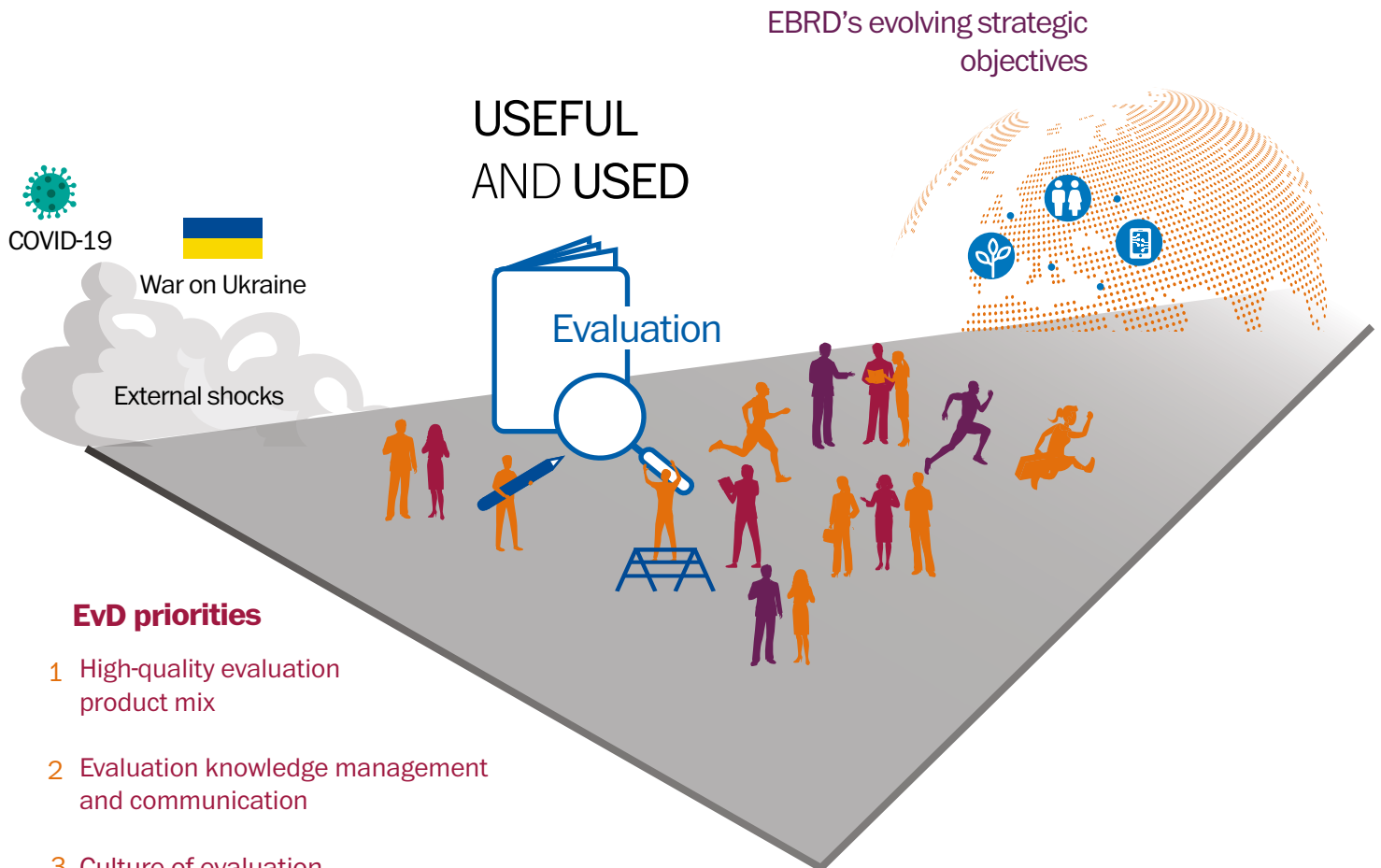
Board Director, February 2022

The EvD team will continue to support the Bank in achieving its ambitions. EvD intends to continue implementing its new strategic direction whilst staying agile and responsive to the changing needs and demands of the Board and other stakeholders. Independent Evaluation can best support the Bank not by being complaisant, nor by being unfair, but by doing what the evaluation function is most useful at: providing an independent and objective view on how the EBRD is doing and how it could perform better for greater additionality and transition impact in the economies where it operates. ■

1

A new direction for evaluation at the EBRD

2021 was a pivotal year for EvD, with the transition to a new Chief Evaluator, and the ongoing implementation of key recommendations from the 2019 Independent External Evaluation of EBRD's Evaluation System (the Kirk Report).¹ These include updating the Bank-wide Evaluation Policy, developing EvD's Strategic Plan, designing an EvD results framework and expanding internal capacity – especially in Evaluation Knowledge Management. EvD is also engaging with EBRD management as part of a working group to revise the self-evaluation system and the transition results management architecture.



¹ Independent External Evaluation of the EBRD's Evaluation System, Colin Kirk, CS/AU/19-37

These changes signify a new direction for evaluation at the EBRD, which will be summarised in EvD's new Strategic Plan.² The EvD strategy will operationalise EvD's vision to better respond to the needs of its client and audiences, while remaining true to

its role and function of providing independent evidence of the EBRD's results, for accountability and learning.

At the core of EvD's new strategic direction is its vision: to make evaluation "useful

and used". To deliver this vision, EvD has focused on three key strategic priorities: i) ensuring the delivery of high-quality evaluations; ii) enhancing outreach and presence; and iii) strengthening the role of the independent evaluation function.

1.1 EvD's vision: making evaluation useful and used

EvD's vision is framed by the context that it operates in, and the demand from its client (the Board of Directors) and stakeholders. These factors have shaped and influenced the selection of strategic priorities.

1.1.1 An evolving context that requires agility

The last two years have been dominated by the Covid-19 pandemic with unprecedented public health restrictions, severe economic dislocation and major impact on the socioeconomic conditions of businesses and households across the world.

With one crisis succeeding another, the invasion of Ukraine has dramatically hit at the core of the Bank's regions. The Russian-led War on Ukraine and its people is a human and geopolitical catastrophe that strikes at the heart of Europe.

Both of these crises have immense operational and strategic implications for the Bank. In response to the Covid-19 pandemic, the EBRD launched its "Solidarity Package" in March 2020, to support clients, economies and partners across the regions in which the Bank operates. Two years

later, in March 2022, the Board of Directors approved the EBRD's "Resilience and Livelihood package" for Ukraine and other affected countries, in response to the War on Ukraine.

These two extraordinary and tragic crises interrelate. The Bank's response to both has been marked by a focus on resilience, and clearly represents a significant departure from "business as usual" practices.

Against these two dramatic events, the Bank is also evolving to meet the priorities of its Strategic and Capital Framework (SCF) 2021-25. This includes becoming a "green" Multilateral Development Bank (MDB), potential limited and incremental geographic expansion to Sub-Saharan Africa, supporting the digital transition and promoting equality of opportunity in the Bank's regions.

To maximise its relevance and usefulness, EvD has also reacted rapidly, adapting to both the EBRD's evolving strategic priorities and to external shocks. EvD designed its work programme to be relevant and comprehensive across the SCF, whilst being agile and responsive to crises, as demonstrated by the launch of the real-time evaluation of the EBRD's Solidarity Package.

Going forward, EvD will have to continue to be responsive and agile to changing circumstances. The Bank is transforming to meet ambitious SCF priorities, against a backdrop of significant uncertainty and unpredictability generated by the Covid-19 pandemic and the war on Ukraine. Flexibility and adaptability will have to be an integral part of how EvD operates, given the level of change in both the Bank and the regions the EBRD operates in.

"We like the pro-active nature of EvD"

Board Director, February 2022

1.1.2 A changing demand for evaluation

EvD aims to make independent evaluation useful to Board members (EvD's primary "client"), to management and EBRD staff, and external stakeholders (EvD's audience), and to see evaluation evidence, lessons and recommendations used for decision-making and for improving performance.

² To be released in 2022

“Only a fraction of information from reports is absorbed [often only through] a brief summary from advisers”

Board Director, February 2022

Over the years, EvD has appreciated the Board’s increasing demand for *ad-hoc*, responsive, evidence-based findings on upcoming strategic issues. This has influenced the EvD product mix and work programme. It also represents an important evolution in the demand for EvD’s services and opens up new opportunities for being useful and used, including through short, focused and timely evaluation knowledge products. This is possible because of the in-depth evaluation work that EvD has been producing over the years, and will continue to produce in the future, which provides substance and insights that can be combined in targeted notes.

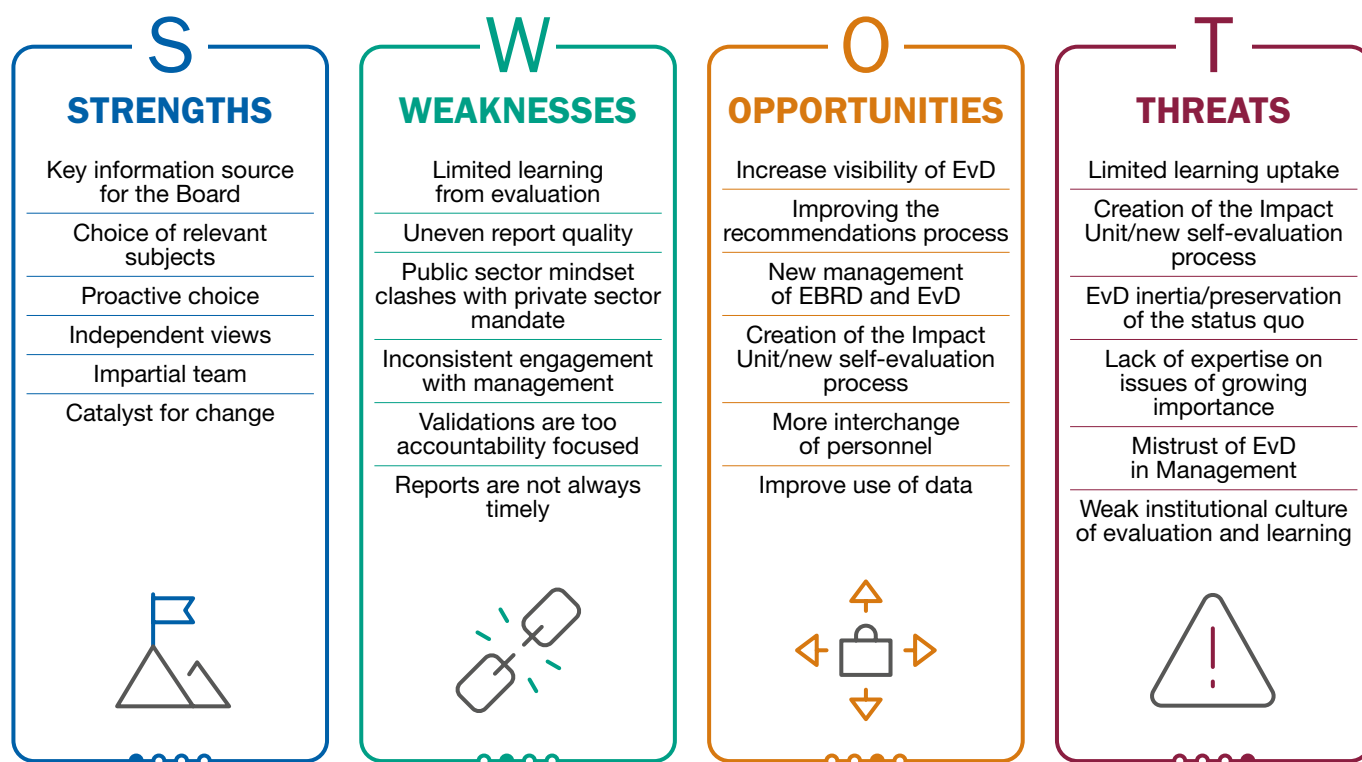
To better understand the demand from its various audiences, EvD asked an external consultancy to conduct interviews with selected stakeholders in the Board and management. These interviews focused on understanding how

internal stakeholders perceive EvD and where there is demand for its products. Interview responses contributed to an analysis of EvD’s Strengths-Weaknesses-Opportunities-Threats (SWOT), which in turn is helping to identify areas to improve and shape EvD’s strategy (Figure 1).

What emerged is the demand for consistently high quality, independent evaluation products, with the need for more effort to make evaluation knowledge more accessible, valued and used so that learning can happen in a more systematic way. More open and constructive engagement with management was emphasised as an important way to make sure that independent evaluation findings are taken on board.

EvD’s strengths as perceived by respondents include: being a trusted source of information on topics of importance to the Board;

Figure 1: Summarised EvD Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis



its independence; and capacity to proactively stimulate change. Weaknesses include: unsatisfactory engagement with management; creating limited learning opportunities; and the perception of a mindset that is more public sector than banking oriented.

This process also identified potential threats to EvD, including limited specialist expertise in some areas of growing importance, low learning uptake and the EBRD’s need to strengthen its evaluation culture, as well as weaknesses within EvD’s set-up. Understanding the perspective of EvD’s stakeholders on where the department faces challenges is immensely valuable in informing the design of EvD’s strategy.

1.1.3 Three key emerging strategic priorities for EvD

EvD is in the process of finalising its first ever Strategic Plan for 2022–25 to operationalise its vision of “making evaluation useful and used” (see Figure 2 for the key qualities of impactful evaluations). While continuing to consider accountability as its prime responsibility, EvD is giving more emphasis to learning, through

enhanced outreach and knowledge sharing.

EvD’s strategic focus will be on three priorities:

- i. ensuring the delivery of high-quality evaluations
- ii. enhancing outreach and presence, and
- iii. strengthening the role of the independent evaluation function.

The focus on the delivery of relevant and high-quality evaluations starts at the beginning of the evaluation cycle, to confirm that EvD’s evaluation products are timely and balanced with respect to different stakeholder priorities.

In 2021, EvD introduced a three-year rolling work programme for 2022 to 2024, developed in close consultation with management and Board members. This new structure will enable effective long-term planning and alignment of EvD products with other decision-making processes, and more coordination with the Board and management to understand the relevance, timeliness, and balance between different product types.

The credibility and quality of EvD evaluations will continue to be

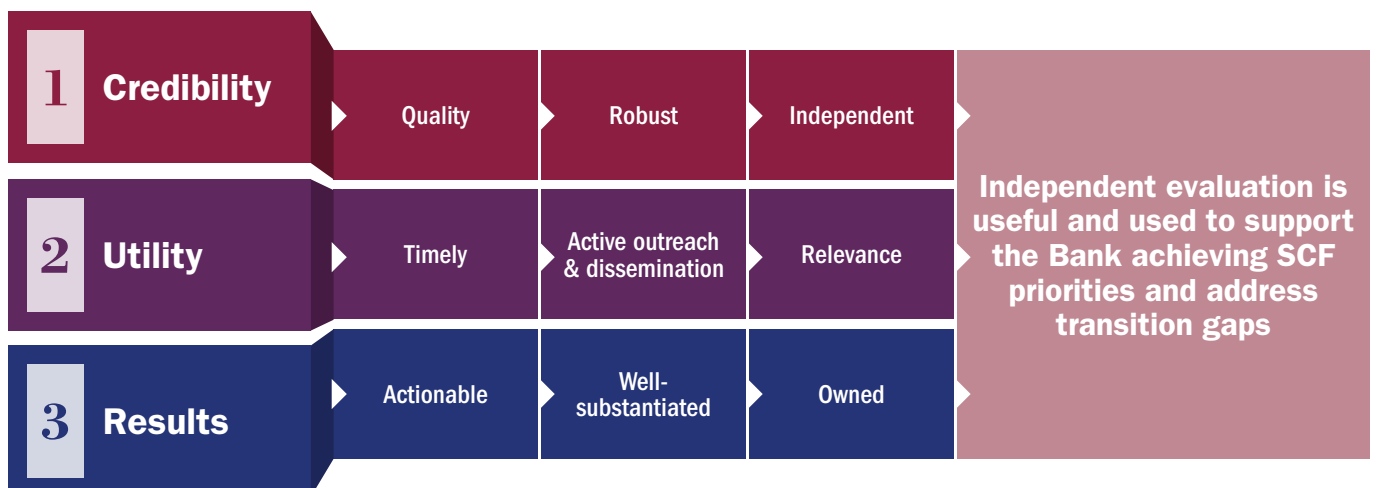
rooted in robust methodologies and processes, supported by reinforced protocols and quality control mechanisms. EvD will also judiciously use external consultants to provide specialist expertise, working in tandem with EvD’s in-house staff to ensure a deep understanding of the context in which the EBRD operates.

“EvD’s independent unbiased perspective and tendency to question ingrained practices is highly appreciated”

Board Director, February 2022

EvD will have an increased focus on engagement with management and Board

Figure 2: Key qualities of impactful evaluations: credible evaluations that are useful and achieve results



members throughout the evaluation cycle, without compromising its independence. This will range from consultation on the selection of evaluation topics as part of the design of the work programme, to the dissemination of evaluation findings. This also includes provision of *ad-hoc*, responsive advice, drawing upon EvD's previous evaluation findings as well as the team's expertise in results measurement.

EvD's second priority is enhancing outreach and presence. The EBRD SCF prioritised strengthening knowledge management and the use of evaluation findings to improve the design and impact of operations. EvD has a crucial role to play in this process and recognises that the best quality evaluations are of little use if nobody reads them.

To support this process, in 2021 the Board approved the creation of a dedicated EvD team to focus on Evaluation Knowledge Management (EKM) and to lead on the communication and

dissemination of evaluation findings. Starting in 2021, EvD has put greater emphasis on compact knowledge products, more use of infographics and videos, and more opportunities for constructive discussions, both within the EBRD and externally. Going forward, this will include informal engagement, as well as formal events such as webinars and conferences, to improve the accessibility and sharing of evaluation findings.

The third priority of EvD's Strategic Plan is to strengthen the role of the independent evaluation function. EvD will focus on building the enabling environment for effective independent evaluation. This includes wider EBRD initiatives, such as working with management to update the Bank's evaluation policy, strengthen the Bank's results architecture and design the new self-evaluation system.

To provide a framework for more efficient delivery and use of evaluation resources, in 2021 EvD embarked on a reorganisation of the

department, with two dedicated divisions – one dealing with sector, country and project evaluations, the other with corporate and thematic evaluations. This restructuring will enable greater specialisation and direct oversight of the delivery of its work programme.

Supporting ongoing personal development within EvD is also a fundamental part of strengthening the role of the independent evaluation function. EvD will prioritise identifying opportunities for evaluation managers to develop their expertise and strengthen their capabilities, through both internal and external secondment opportunities, training courses and other professional development opportunities.

Finally, EvD will continue to strengthen collaboration and partnerships, including with independent evaluations departments of other International Financial Institutions, evaluation associations and relevant academic or professional networks.

“EvD staff are trusted and reliable”

Board Director, February 2022

1.2 EvD's approach to delivery

A core part of EvD's Strategic Plan is a “theory of change”, which will form the framework describing how EvD will deliver on its objectives and vision.

The theory of change can be summarised as follows:

In order to be more useful and used for improved performance, EvD will produce relevant and timely high-quality evidence-based evaluation products, made accessible to various audiences and shared in an enabling environment that guarantees independence and a strong culture of evaluation.

Supporting the Strategic Plan is the DEEP framework of Delivery, Effectiveness, Efficiency and People. These principles guide and structure how EvD operates and are an integral and cross-cutting component in all departmental activities.

EvD also recognises that this new strategic direction is an ongoing process and will require time to come to fruition. It has developed a phased approach to implementation (see section 1.2.2), which sets out how activities will be initiated and scaled up to achieve the objectives

EvD's theory of change

The theory of change will set out the causal mechanisms between EvD inputs and impact, guided by the strategic priorities set out above.

At impact level, EvD will align with wider institutional impact objectives: EvD aims to support the Bank in achieving its SCF priorities and in addressing transition gaps. The intended outcome is that independent evaluation strengthens accountability, institutional learning, and resource allocation.

set out as part of this strategic direction.

1.2.1 EvD's underlying operational principles

EvD strategic direction and operationalisation of key activities are underpinned by the DEEP principles, which have guided EvD's activities since 2021:

- I Delivery:** Delivering EvD services and products that are relevant for both accountability and learning requires a balanced product mix, aligning products with needs. The focus is on the need of the institution – taking into account the demand arising from the Board, the Audit Committee and management – and rebalancing the product mix to cover a large spectrum of projects and topics. This includes the reintroduction of project-level evaluations, as well as piloting country-level evaluations. These new products provide different analytical lenses to deliver evaluation insights.
- I Effectiveness:** Raising the quality, use and impact of EvD products for better outcomes in every possible way. This includes improving the quality of reports through greater technical specification and adapted methodologies but also using innovative formats such as infographics and videos to

improve the accessibility and use of evaluation findings.

- I Efficiency:** Improving business processes, credibility and consistency of quality assurance. In practical terms, this means developing stronger evaluation protocols, integrating an IT dashboard for a more holistic oversight of delivery of the work programme and engaging with management to streamline procedures.
- I People:** Maintaining and nurturing a broad range of in-house expertise is crucial given the spectrum of EBRD-wide activities and the expectation of EvD being able to respond to these. This is particularly important for priority thematic and sectoral areas identified under the SCF.

1.2.2 A phased approach to implementation

To realise the objectives set out in the Strategic Plan, EvD proposes a phased approach to implementation (Figure 3). EvD will move from concentrating on reorganisation and alignment in Phase 1, towards starting to scale up in Phase 2 and finally focusing on consolidation in Phase 3.

Over the past year, EvD has started to re-orient its activities in this new strategic direction.

For example, EvD has piloted a new consultative process for developing the work programme, launched new learning products (the “Connecting the Dots” series) and experimented with new dissemination methods such as videos. This is only the start, with clear potential to expand – going forward.

In Phase 1, from mid-2021 to mid-2022, the emphasis is on reorganisation and alignment.

The focus is primarily on internal processes and functions, with the objective of developing the foundation for a stronger and more effective evaluation system, combined with continuing to deliver high-quality evaluation products.

In Phase 1, to deliver relevant and high-quality evaluation products, EvD will have developed a methodology for a more consultative process for designing the work programme, incorporating new products such as country and project evaluations as well as updated evaluation protocols to safeguard the quality of evaluation deliverables.

To support an increased focus on outreach and presence, EvD will have a new organisational structure, with dedicated EKM staff. EvD will be developing knowledge products such as the “Connecting the Dots” series and webinars.

During this period, management is redesigning the self-evaluation system, following recommendations in the Kirk Report. EvD will continue to support this process, by providing guidance on best practice principles for use in self-evaluation systems, and through doing so will promote a more effective evaluation culture in the Bank.

Phase 2 is a “scaling up” period, covering mid-2022 to mid-2023.

EvD will be operating under the guidelines of an updated Evaluation Policy as well as a departmental Strategic Plan, which are the building blocks for strengthening the role of the independent evaluation function. With a robust enabling environment for evaluation in place, EvD's focus moves towards its various audiences, with the objective of improving the scale and reach of EvD, and the dissemination of EvD findings.

During this phase, to help further improve the quality of evaluation deliverables, targeted recruitment will help address identified expertise gaps, including in green finance. EvD will also be filling all positions in the department to help address its current lack of capacity. EvD's work programme will evolve to include a section on the Annual Evaluation Review (AER), highlighting special themes the AER will cover in the upcoming year

and how that theme links into its planned results.

EvD will continue to expand and scale up outreach and dissemination activities, including an increased emphasis on webinars, participation in conferences and production of knowledge products. One area of high potential is to strengthen the dissemination of evaluation findings to internal audiences (with a special focus on banking teams) and at the country level (including on case studies from specific countries). This means creating opportunities for informal, technical meetings with operational teams and ROs to discuss findings, lessons and recommendations. EvD's strategy will also focus on building partnerships with communities of practice in evaluation, including the European Evaluation Society (EES) and the Evaluation Cooperation Group (ECG).

During Phase 2, to help strengthen the role of the independent evaluation function, EvD will deliver training courses to teams in the rest of the EBRD, focusing on building capacity in evaluability and results measurement.

From mid-2023 to 2025 EvD will be in Phase 3, which will focus on consolidation. This will be a pivotal period for both EvD and the Bank. Management and the Board will be working on a new SCF covering the period 2026–30, and it is likely that by then there will have been a follow-on External Evaluation of the Function within the EBRD (a successor to the Kirk Report). This also marks the end point of the first term of EvD's Chief Evaluator.

During Phase 3, EvD will concentrate on ensuring that evaluation findings and lessons

Figure 3: EvD's phased approach to delivery

	Phase 1: Reorganisation and realignment (2021–2022)	Phase 2: Scaling up (2022–2023)	Phase 3: Consolidation (2024–2025)
Pillar 1: Ensure delivery of high quality evaluation products	<ul style="list-style-type: none"> Consultative 3-year rolling Work Programme Balanced product mix Improved protocols for implementation of evaluations 	<ul style="list-style-type: none"> Improved engagement with Management and Board members New evaluation product (i.e. real-time evaluations, country-level evaluation, etc.) Targeted recruitment to fill expertise gaps and effective use of consultants Improved use of big data and IT tools 	<ul style="list-style-type: none"> Proactive approach towards planning for new SCF period and priorities
Pillar 2: Enhance outreach and presence	<ul style="list-style-type: none"> Strategic Plan and results framework Increased focus on visuals and dissemination Launch of new evaluation knowledge product series "Connecting the Dots" 	<ul style="list-style-type: none"> Setting up EKM unit Hosting regular internal learning events (i.e. webinars) and scaling up external engagement Scaling up knowledge products 	<ul style="list-style-type: none"> Ensuring evaluation lessons are useful and used in the context of the preparation of the SCF 2026–2030
Pillar 3: Strengthen the role of the evaluation function	<ul style="list-style-type: none"> Ongoing support for design of self-evaluation unit and other Kirk Report recommendation Follow up on IAD report on improving management implementation of EvD recommendations 	<ul style="list-style-type: none"> Update/review the Evaluation Policy Focus on personal development of evaluation managers Regular training for Banking team 	<ul style="list-style-type: none"> Self-assessment of evaluation function Support to the second external evaluation of the EBRD Evaluation system

EvD's team

In May 2021, EvD welcomed the new Chief Evaluator, **Véronique Salze-Lozac'h**. Véronique joined the EBRD from the Independent Evaluation Department at the Asian Development Bank (ADB) where she was Deputy Director General.

EvD is currently a team of 18 including two acting directors, six senior evaluation managers, seven principal evaluation managers and three support staff. EvD has budgeted positions for 23 staff, which means that in 2021 EvD has operated significantly under capacity. To remedy this situation and to increase departmental effectiveness, EvD is currently recruiting for five positions.

For an introduction to EvD staff, see Annex 1.

are feeding into and influencing the development of the next SCF and will also be preparing to take a proactive approach towards planning for the new SCF period,

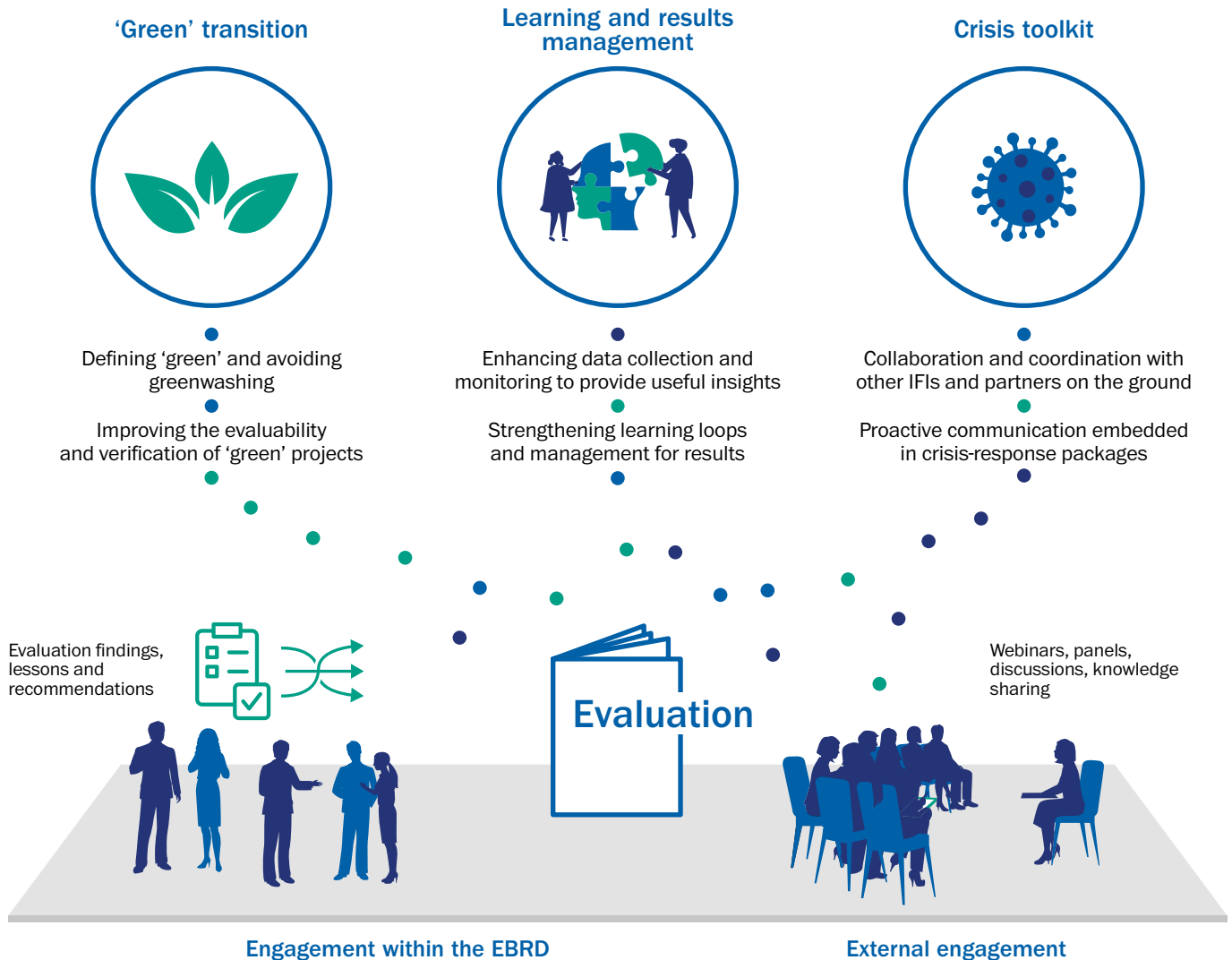
and any shifts in institutional priorities that entails. EvD's work programme for 2022–24 is designed to have comprehensive coverage across the SCF 2021–25,

to put EvD in position to provide value and insights on how the Bank has performed during that period. ■

2

Contribution to learning and accountability

The overarching objective of each of EvD's evaluations is to contribute to mutually reinforcing organisational accountability and learning, and through doing so empower evidence-based decision making and improve institutional performance. In the evaluations delivered in 2021, EvD broadly achieved this objective, with clear examples of how evaluations have contributed useful lessons and informed decision making.



EvD's major evaluations in 2021

In 2021, EvD delivered **eight** major evaluations on the following subjects (see Annex 2 for full summaries):

- ! The EBRD's Nominee Director Programme;
- ! The Trade Facilitation Programme;
- ! Health Sector Interventions;
- ! Hydrocarbon Investments;
- ! Sustainable Infrastructure in Advanced Transition Countries;
- ! Review of Strategic Implementation Plans 2016–21;
- ! Learning and Knowledge Management within the EBRD;
- ! The EBRD's Covid-19 Solidarity Package.

discussions with management was their ambition to learn from experience and ensure that lessons feed back into operations to improve performance. This, in itself, may be considered a major success for the EBRD. The early findings of this real-time assessment were presented to the Board's Audit Committee in January 2022, in the form of a video, and discussed intensively with Board members and management in order to inform the EBRD's developing approach to the pandemic and supporting rebuilding and recovery.

Several Board Directors suggested "converting" important lessons into recommendations to prepare the Bank for the next crisis, although at the time none could imagine that it would have occurred so quickly. The relevance of these lessons was highlighted by the war on Ukraine and the Bank's response to this new, unprecedented, crisis. EvD's insights on the importance of proactive communication during crises and utilising learning loops to respond to a dynamic and uncertain operating environment were integrated into the design of the Bank's "War on Ukraine – EBRD Resilience Package".

2.1.2 Preparing for green transition

As the EBRD fulfils its aspiration to become a green development bank and to align with the Paris Agreement, the challenge of defining "green" and measuring the results from green investments has become a critical and immediate issue for the Bank. In 2021, EvD completed two evaluations directly related to green transition: the Hydrocarbons Cluster Review, and the Evaluation of Sustainable Infrastructure in Advanced Transition Countries.

2.1 What the Bank learned from independent evaluation in 2021

Across all the evaluations delivered in 2021, EvD grappled with the methodological challenges raised by the Covid-19 pandemic. These included remote data collection and providing assessments of performance in environments where there has been a severe external shock.

In response to the pandemic, institutions including the EBRD launched urgent and unprecedented response packages to support their clients. These often entailed a rapid roll-out of innovative mechanisms for deploying capital and other forms of support which deviated from "business as usual". This change creates a challenge for evaluation, by making it more difficult to benchmark processes against organisational best practice and by changing the paradigm around what success looks like.

Navigating these difficulties has generated several useful lessons relevant to both to the Board of Directors and the EBRD more widely. Across the eight evaluations delivered by EvD in 2021, three key major themes emerged:

- i. operating in times of crisis,
- ii. preparing for green transition, and
- iii. improving learning and reporting on transition.

2.1.1 Operating in times of crisis

The EvD's 2021 *Rapid Assessment of the Solidarity Package* demonstrated that providing Board and management with initial insights on the emerging evidence of effectiveness via a real-time evaluation was valued and useful. This assessment focused mostly on output-level indicators, with innovative use of outcome-level proxies. This shows that when data are difficult to gather in an uncertain, changing environment, it is important to identify workarounds and qualitative proxies that may provide a sense of the effectiveness of the Bank's intervention.

Despite disagreements on some of the conclusions based on these early results, what emerged from the

A third, the Solar Projects Cluster Review has been finalised and will be presented to the Board in June 2022.

The Hydrocarbons Cluster Review found, at the time of evaluation, that there was no clarity among banking teams on the institutional positioning of EBRD towards hydrocarbons.

Guidance was limited on the type of investments the Board was willing to approve. Similar findings are emerging from the ongoing Solar Projects Cluster Review on the role of “non-green” investments in grid infrastructure and modern gas power plants in supporting the development of the renewable energy sector. These raise fundamental questions: what counts as green, and what kind of projects can a green MDB feasibly support.

The Evaluation of Sustainable Infrastructure in Advanced Transition Countries focused on the measurement of environmental outcomes from green projects. It highlighted ongoing weaknesses in the systems and processes for measuring Green Economy Transition results, which mean that the Bank does not have a sufficiently credible system for measuring the outcomes from green projects and attributing results to its financing.

Insights on these topics have supported management decision making. Following EvD’s 2021 Hydrocarbon Cluster Review, management developed an Updated Approach to Fossil Fuels, which provided greater clarity to banking teams on what type of projects the Bank was prepared to support. Management is also in the process of designing a new monitoring and results verification system for green financing, to provide a more credible measurement framework for tracking and attributing the environmental outcomes.

EvD intends to build on this lesson and will conduct an assessment of the evaluability of green financing, including the results monitoring and reporting system in the context of alignment with the Paris Agreement. Rather than an assessment of performance and impact, this study will focus on the processes and the systems the Bank is putting in place to monitor, report and validate results. It will look at best practices and provide suggestions on adequate measures to ensure evaluability and therefore set the foundations for a future evaluation of the EBRD’s alignment to the Paris Agreement in the coming years.

2.1.3 Improving learning and reporting on transition

The SCF 2021–25 highlights the importance of strengthening the Bank’s results architecture and knowledge management capacity to improve the design and impact of operations. Weaknesses with the Bank’s learning and knowledge management structures are a recurring theme in EvD evaluations, with clear examples of how limited learning is undermining operational effectiveness. EvD’s 2021 Evaluation of Learning and Knowledge Management at the EBRD provided a comprehensive assessment of the Bank’s current capacity and highlighted that current structures do not afford staff the time or incentives to enable reflection, knowledge sharing or innovation. It also found mixed perceptions around the extent to which the EBRD was open to learning from mistakes.

This study has influenced the design of the new organisational structure responsible for leading and coordinating the Bank’s Policy Dialogue activities (VP3), including expanding the Bank’s Learning and

Knowledge Management Team and bringing in external expertise. It has also helped to shape ongoing discussions on developing the new self-evaluation system.

Two other 2021 evaluations provided concrete examples of how improving the learning uptake of the Bank could improve organisational performance. EvD’s 2021 Review of Strategic Implementation Plans (SIPs) highlighted that learning and knowledge management could significantly improve the integration of the EBRD Business Plan and budget for enhanced efficiency and value for money. In the Evaluation of the EBRD’s Nominee Director Programme, EvD demonstrated that opportunities to share lessons between the Bank’s Nominee Directors were not being realised; incomplete record-keeping and inconsistent standard setting were limiting effective knowledge management.

The Board of Directors and management agreed that the quality of the SIPs could be improved by developing adequate learning loops and building a proper information management system to better document exchanges between Board and management – and to enable lesson learning. A follow up, in preparation for the next SIP 2023-25, will likely be discussed with the Board in June 2022. Similarly, in response to EvD’s 2021 Evaluation of the Nominee Director Programme, Management committed to improved record keeping as a “key priority”.

Evaluations conducted in 2021 also identified areas of improvement of the transition results management architecture, which had been already highlighted by the 2020 Evaluability of Transition Qualities (TQs) study and more broadly by the Kirk Report. The Evaluation of the EBRD’s Health Sector Interventions highlighted

the potential benefits of preparing a transparent results measurement system. Similarly the Evaluation of the Trade Facilitation Programme recommended that the revised results framework should be centred upon a theory of change.

EvD appreciates its role and responsibilities in the Bank's learning and knowledge

management ecosystem, providing evidence-based insights and extracting lessons from evaluation. It is committed to doing its part in improving the accessibility of its work and in increasing outreach and dissemination. The new Evaluation Knowledge Management Unit will help communicate and disseminate evaluation findings more effectively.

“Connecting the Dots” series is to provide a fresh and forward-looking perspective, based on evaluation lessons from past projects.

Topics covered strategic priorities for the Bank, including: Climate change, IFI support for gender mainstreaming, Doing and expanding business in Sub-Saharan Africa and The experience of IFIs in conducting operations in Egypt. All “Connecting the Dots” briefs are summarised in Annex 2 and published on ebrd.com/evaluation.

2.2 Evaluation knowledge management: reaching out and being influential

As part of EvD's approach towards ensuring evaluation is useful and used, in 2021 it started to integrate evaluation knowledge management (EKM) into its work programme delivery.

New knowledge products and focused evaluation dissemination plans were introduced to increase EvD's footprint and influence. This new EKM approach combined innovative products and deepened engagement within the EBRD and with external partners.

2.2.1 New evaluation knowledge products and a fresh approach to communication

“Connecting the Dots”

In 2021, for the first time, EvD issued four new briefs under its new evaluation knowledge products series “Connecting the Dots: evidence that drives change”. The key objective of the

“Evaluations on strategic issues are most valuable”

Board Director, February 2022

Using a proactive approach to share evaluation findings

In 2021, EvD started to test new ways of disseminating evaluation findings, including by delivering products such as an animated video introducing the role of independent evaluation at the EBRD. This video, illustrating the role and purpose of evaluation at the EBRD for accountability and learning, was appreciated by new Board members who found it a helpful orientation tool.

Building on this experience, EvD produced another video to present complex findings from the *Rapid Assessment of the Solidarity Package*. The new presentational style was well received by the various audiences and staff found it to be a helpful new way to absorb information quickly. EvD plans to produce videos more regularly going forward as part of its approach to evaluation knowledge sharing.

“Connecting the Dots: Doing and expanding business in Sub-Saharan Africa”

This brief distils evaluation findings from 40+ independent evaluations of private-sector operations at partner IFIs and sister MDBs (plus a number of past EvD evaluations). It comes up with seven lessons, which are meant to inform the ongoing discussion at the EBRD and are applicable at any stage of intervention, whether prior to starting or during implementation.

“An innovative product, very interesting and with tangible knowledge for contexts even beyond Sub-Saharan Africa”

Senior Manager, 2022

Lessons cover the need for “boots on the ground”, a tailored approach to a large informal economy and analysis of the political economy. They highlight the need for solid upstream and policy work to compensate for the scarcity of available banking projects. The brief also provides evidence of the benefit of closer collaboration amongst IFIs operating in fragile countries.

“The role of independent evaluation and its real-time assessment is to keep an eye on results and on what works or not, to inform the Board and ensure EBRD keeps learning from its experience”

Board Director, Asian
Evaluation Week 2021

2.2.2 Looking in the mirror: what EvD has learned

EvD’s work has been appreciated by management and the Board, with three significant examples of its input being influential:¹

1. **Early lessons from the Rapid Assessment of the Solidarity Package;**
2. **Technical note on the draft Approach to Accelerating the Digital Transition and**
3. **Findings to help shape the financial sector strategy.**

On the other hand, it is also healthy and helpful for EvD to understand why some evaluation products have not been as influential as intended, and what lessons can be learnt to maximise the impact and effectiveness of evaluations going forward. EvD’s experience on the preparation and dissemination of the complex discussion paper triggered by the Kirk Report, The Evaluability of the Transition Qualities (TQs) provides valuable lessons learned for future work.

i. Early lessons from the *Rapid Assessment of the Solidarity Package*

EvD’s 2021 Rapid Assessment of the Solidarity Package provided real-time evidence on the implementation of the EBRD’s response to the Covid-19 pandemic. This new evaluation product provided timely and relevant insights to the Board and management, which fed into the decision-making process. The Board’s Audit Committee discussion in January 2022 provided a great platform for a timely discussion between Board and management, including the First Vice President. The early findings from this report continue to shape the Bank’s crisis response to the evolving emergency

situation caused by the Russian-led war on Ukraine.

The depth and clarity of the key messages combined with a concise presentation contributed substantially to the successful dissemination and use of the report’s findings.

These early lessons have been used by management to shape the Bank’s crisis response to the war on Ukraine, which illustrates the timeliness, usefulness and relevance of the report to both management and the Board.

Key success factors:

I Soundness of the approach: EvD used a unique but robust methodology to implement a real-time evaluation. This required adjustments to the usual evaluation frameworks without compromising standards. The rapid assessment followed the OECD-Development Assistance Criteria for evaluation to help ensure the delivery of evidence-driven findings and recommendations.

I Timely delivery: EvD delivered this new knowledge product in just over six months, following a real-time evaluation approach that differs from a traditional *ex-post* evaluation. The timing was the key to success as the early lessons could influence the ongoing implementation of the solidarity package.

I Proactive engagement with management: EvD consulted extensively with management throughout the drafting of the report, which contributed significantly to its success. Although not necessarily agreeing on all points, management welcomed EvD’s proactive approach, as illustrated by the excellent coordination in conducting a joint survey with banking teams who worked on solidarity package transactions. Senior management helped

¹ Source: 4Sing assessment, Feb. 2022

in launching the survey and encouraging staff to respond to the questionnaire.

- I Appealing format:** EvD presented the report in a concise and comprehensive format which helped stakeholders to absorb key findings. The report also included a range of infographics to present and contextualise the report's key findings in an accessible manner.
- I Actionable suggestions:** EvD's focus was on developing a short list of actionable and clear suggestions that were then transformed into recommendations, at the request of the Audit Committee and in agreement with management. A technical meeting with management helped to ensure the recommendations were clear and actionable.

ii. Technical note on the draft Approach to Accelerating the Digital Transition

As Board Directors and Management were discussing the draft paper for the EBRD's Approach to Accelerating the Digital Transition 2021–25, EvD was asked to reflect on past evaluations and provide feedback on the draft report. Some issues raised by EvD included the integration of tools and incentives, as well as risk mitigation. EvD also provided feedback on the evaluability of the approach to digital transition and results measurement. The Board's Financial and Operations Policy Committee appreciated the note and used it to raise specific points in its discussion with management.

Key success factors:

- I Demand-led:** EvD's info-note on the draft Approach to Accelerating the Digital Transition 2021–25 followed a specific request from a Board Director. This ensured a receptive audience for EvD's input, and a clear mechanism for disseminating findings more widely.

- I Careful focus on areas of EvD expertise:** The info-note focused on issues of results measurement and evaluability, rather than providing wider commentary on support to the digital transition. These are specialist areas for EvD, which meant EvD could produce a robust and credible note rapidly and helped to ensure uptake of recommendations from management.

- I Timeliness with Board input and decision making:** This info-note was circulated just prior to the Board's Financial Operations Policy Committee discussion on the draft Digital Approach and a Board retreat discussing digitalisation more broadly. The timeliness of delivery was a key success factor: EvD delivered the info-note in time to support ongoing discussions and to influence an active process. It was particularly critical that EvD circulated the note when the Digital Approach was still at an early draft stage, as this gave management the opportunity to consider and respond to EvD comments and recommendations.

- I Wider culture of evaluation and results management:** More broadly, the success of this info-note indicates the greater focus within the Bank on results management and evaluation, following the prioritisation given to this topic in the SCF. In this case, it was emphasised by the close attention that the Board's Financial Operations Policy Committee gave to the evaluability and results management of the Digital Approach, as well as management's receptiveness to EvD recommendations.

iii. Findings to help shape the Financial Sector Strategy

In mid-2021, management invited EvD to provide comments on the evaluability of the draft results framework of the new Financial Sector Strategy that was in

preparation. EvD then provided an information email, with evaluation-based information, to the Board's Financial and Operations Policy Committee ahead of the discussion on the final version of the draft Financial Sector Strategy.

Key success factors:

- I Continuous open channel of communication with sector team:** EvD had been consulted previously on the evaluability of strategies, so management knew they had a counterpart in EvD that they could go to for evaluation-based feedback and evaluation expertise.

“Topics covered by EvD are highly relevant to the Board's agenda”

Board Director, interview conducted by 4Sing, February 2022

- I Proactive response:** Upon being invited by management, EvD quickly collated a response and promptly held a technical meeting with the sector team, which fitted in with their needs and timelines.
- I Critical mass of evaluation work on the financial sector over the past two work programmes:** EvD had been leading project evaluations and thematic evaluations in the financial sector over the last two work programmes. This provided EvD with a credible evidence base to share relevant findings.
- I Succinct email to the Board committee:** The email was a brief summary, factual in nature and restricted to evaluative work undertaken by EvD as well as a

“EvD is a key independent information source that we depend on”

Board Director, February 2022

recapitulation on the consultation process. It provided the Board with a concise and timely overview of EvD’s perspective that responded to the need for short, evidence-based information from independent evaluation.

iv. A missed opportunity: the Evaluability of the Transition Qualities (TQs)

This study was delivered in mid-2020 and initially discussed at a Board Information Session the day before the UK’s first Covid-19 lockdown. While findings are still relevant, it is important to reflect on why the paper did not achieve its fundamental objective of being useful and used at the time of its publication.

With this paper, EvD aimed to create a sound platform to nurture the Bank-wide conversation around its transition impact methodology and results management architecture. The report has been influential, having informed the ongoing work on developing the overall theory of change of the TQs, but its ambitions were far broader. The study was also followed by a technical note requested by the Audit Committee which provided a detailed explanation about possible solutions to “fix” the weaknesses within the transition results architecture.

I Too ambitious: The discussion paper aimed to achieve much more than what was in the original scope (as indicated by the Kirk Report) by providing a holistic assessment of the whole transition results architecture. What was supposed to be a “brief assessment” ended up being an 87-page document encompassing the entire spectrum of results management and its implications for evaluation. More focused, targeted assessments may prove to be more useful than reports that are too comprehensive and too information heavy.

I Too prescriptive (getting into “management’s kitchen”): Although the assessment was peer-reviewed by two external experts, and was credible and robust, its findings were far too detailed and provided management with a set of actions that were already predefined. Although evaluations propose recommendations, it is management’s role to identify and implement an action plan in response to those recommendations.

I External circumstances: The Board Information Session on the report was stimulating, and without the Covid-19 pandemic it would have been followed by a more extensive discussion at the Audit Committee. However, the pandemic led to the cancellation of that session due to the necessity of developing an urgent response to the crisis. Subsequent changes within EvD and within management’s organisational structure have shifted attention towards other priorities.

2.2.3 Tailoring formats to EBRD internal audiences

In 2021, in order to meet growing demand, EvD continued to produce and circulate information notes on a variety of “hot” topics, drawing on a broad range of evaluation skills and previous evaluation work. These notes feed into Board and management discussion of future strategies, activities and programmes.

During 2021, EvD produced more than 20 notes, circulated to Board and management. Topics included responses to the Covid-19 crisis, operations in fragile countries, self and independent evaluation, the EBRD Strategic Implementation Plans, health sector interventions, digital transition, policy dialogue and results management. Annex 2

contains a full breakdown of these notes. EvD has received positive feedback on these evidence-based inputs from independent evaluation. Reaching out to management in 2021 also included EvD meeting regularly with the EBRD President to discuss recent evaluation work and evaluation related matters.

In addition to its reports and products and in line with its role and function, EvD also aims to support management in its effort to improve three key foundations of the evaluation culture in EBRD: self-evaluation, results management and knowledge

management. Following a central recommendation of the Kirk Report,² management and EvD have engaged through a joint dedicated working group to develop a new system for self-evaluation (led and implemented by management) and enhance the results architecture.

2.2.4 Building EvD's partnerships and visibility outside the EBRD

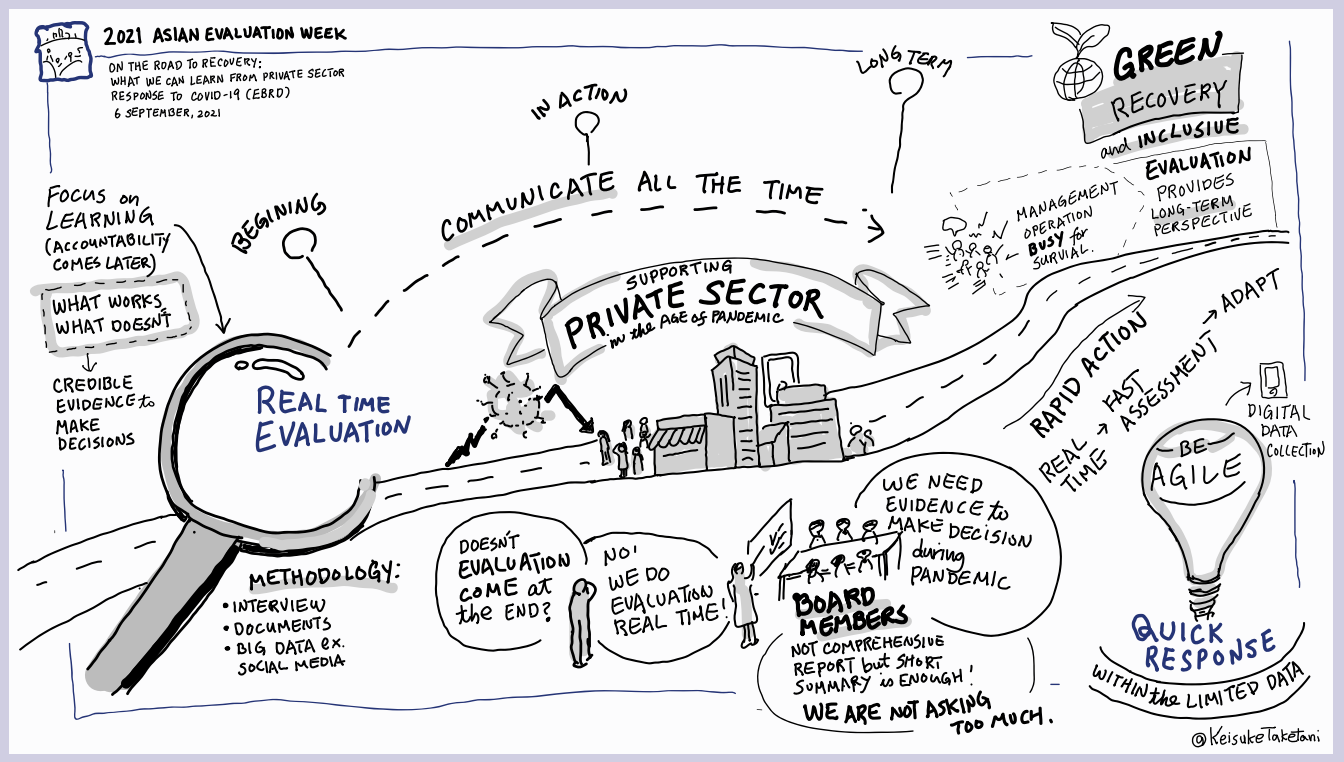
Through engagement at conferences, EvD contributes to the global library of evaluation

“More narrowly focused reports, with concrete recommendations, are more useful”

Board Director, February 2022

EvD involvement in the Asian Development Bank and Ministry of Finance, PRC's joint event: the Asian Evaluation Week (AEW)

AEW promotes knowledge and evaluation capacity development to advance development and transition evaluation effectiveness at national, regional, and international levels. The theme for AEW 2021 was: “Transformational Evaluation: Moving from Uncertainties to Resilience”. EvD led sessions on evaluating the Covid-19 recovery and on the green agenda, which included input from colleagues within both EvD and banking, evaluators at other MDBs, EBRD Board Directors and other industry stakeholders.



2 Independent External Evaluation of the EBRD's Evaluation System, Colin Kirk, CS/AU/19-37

knowledge, with a special focus on evaluating private-sector operations.

Last year, EvD staff shared their experience with fellow evaluators on real-time evaluations of responses to the Covid-19 pandemic, green financing, regional connectivity and providing accountability through evaluation. These events sought to involve management and to encourage and promote peer-to-peer sharing of knowledge.

During the year, EvD stepped up engagement with international partners and networks such as OECD Evalnet, the UN Climate Change Conference (COP26) and the ADB's Asian Evaluation Week.

In November, EvD participated in a panel discussion at the GCF-IEU side event at COP26 – “Mobilizing the private sector for climate action: the case of GCF and other organizations”. The presentation provided a high-level of summary of the findings of the Evaluation of the EBRD's Mobilisation of Private Finance. The audience reacted positively to the findings and there was an extensive discussion about how to engage the private sector more effectively, both to finance infrastructure investments and provide advisory services. At the event, EvD launched its new knowledge product: “Connecting the Dots: Evidence That Drives Change on Climate Change”.

2.2.5 The way forward: Evaluation capacity development

An important part of developing a culture of evaluation and promoting learning from evaluation is evaluation capacity building. EvD aims to promote an understanding within both the Board and management of the role and function of independent evaluation in promoting accountability and learning. Initiatives – such as the development of an introductory video for new Board members explaining EvD's purpose, or intranet blog posts from evaluators – contribute to improving the understanding of the usefulness of evaluation for an institution like the EBRD. More efforts will have to be made to continue to strengthen this understanding and recognition.

As part of the Strategic Plan, EvD intends to prioritise evaluation capacity development. This will involve both an increased focus on events within the EBRD to highlight the evaluative process, as well as more formal training sessions for staff within management. EvD will also identify approach mechanisms to coordinate with management's new self-evaluation team, to share principles on evaluation best practice and provide opportunities for peer-to-peer learning. ■

Independent validation and implementation of evaluation recommendations

3

2021 was a year of transition for self-evaluation in EBRD. EvD continued to provide independent validation of self-evaluation products while supporting management in developing a new self-evaluation system, as recommended by the 2019 external evaluation of the evaluation system (the Kirk Report).

Over the last year, EvD also focused on strengthening the quality of its recommendations to management and the monitoring of the implementation of evaluation recommendations. This activity plays a key role in the EBRD learning and accountability system, by providing a direct and tangible mechanism by which EvD can help catalyse change and improve the Bank's performance.

Differentiating between validation of self-evaluation (by management) and project evaluation (by EvD)

- For validation, the burden of proof lies with management to provide information to substantiate the assessment of performance in their self-evaluation.
- This evidence is then considered by independent evaluation for validation. If that is not sufficient, or convincing, the validator will mention it and base their validation on the limited evidence provided or refrain from making an assessment.
- Contrary to an evaluation, for validation, the validator does not conduct independent research, nor does she/he collect evidence or conduct interviews.
- As part of its rebalanced product mix, EvD also conducts independent evaluation of projects, for which EvD establishes the methodology, defines the approach, does research and conducts interviews following international evaluation criteria. Management is then invited to provide comments, as for all independent evaluations.

3.1 Towards a more useful self-evaluation and independent validation system

3.1.1 Context: the catalyst for changes in the self-evaluation and validation systems

The self-evaluation system is currently in a transition phase. EvD and management are working together to enable an effective implementation of self- and independent evaluation. A core finding of the 2019 external review of the EBRD evaluation function was that the EBRD's self-evaluation system was neither efficient nor effective. The report recommended that management and EvD work together to redesign it.

The Kirk Report highlighted that the self-evaluation system was not providing an effective tool either for accountability purposes or for identifying key learning insights for future implementation. In addition, an independent adviser to the Audit Committee, who peer reviewed the external evaluation, found that it

was necessary to “repair the broken self-evaluation system, including full alignment with the EBRD’s results architecture and enhanced knowledge management”.¹

EvD has provided ongoing guidance and support to management on the design of a more robust self-evaluation system in order to ensure evaluability. This includes providing advice on the principles which underpin an effective self-evaluation system that combines accountability and learning functions, is integrated with results management processes, and provides for both mandatory and demand-driven self-evaluation.

The current transition period to a new self-evaluation system means that in the interim it is challenging to draw conclusions from assessing aggregate performance of validated projects. In 2021 the primary mechanism of self-evaluation was

still through the use of Operational Performance Assessments (OPAs) on a limited selection of mature projects. The portfolio of self-evaluated projects to validate is smaller than in previous years; and projects were chosen for self-evaluation, and independent validation, on a selective basis by theme according to their ability to feed into i) the upcoming country strategy for Kazakhstan, ii) the Bank’s approach to inclusion and iii) the green transition qualities. This had three implications:

I The aggregate performance of validations cannot be used to draw conclusions about the EBRD’s wider portfolio performance. As the sample is not randomly selected, the aggregate performance of either self-evaluations or validations are valuable for learning purposes but are not necessarily representative of the Bank’s wider portfolio.

I EvD cannot compare project ratings from validations to ratings from self-evaluations, to illustrate the strength and robustness of the self-evaluation process. In previous years, EvD has conducted some comparative analysis to understand the extent of divergence between the ratings of self-evaluation and validation. This differential was a reasonable proxy for drawing conclusions about the robustness of the self-evaluation system. Without project ratings in OPAs, this analysis is no longer possible.

I Ratings of validations or self-evaluations cannot be compared with previous years to understand historical trend. Self-evaluations no longer have ratings, whilst the sample of validated projects is now much smaller and not randomly selected, which means comparisons across time are no longer possible.

Best practice in self-evaluation

Based on its own expertise and dialogue with other evaluation departments, EvD has identified some best practices aimed at improving the evaluability of the EBRD’s new self-evaluation system:

- I Clearly delineated responsibilities between independent and self-evaluation.
- I Providing a mutually reinforcing accountability and learning function.
- I Integrated with and building on a strong results management and data collection system.
- I Adopting and using internationally accepted principles for evaluation (for example OECD-DAC evaluation criteria).
- I Assessing failures as well as successes.

¹ Robert Picciotto, senior adviser, note to the Audit Committee, 2020

3.1.2 Validation of self-evaluation in 2021 and next steps

In 2021, EvD validated 24 self-evaluations with findings and lessons that were circulated amongst Board Members and Management.

The area of validations remains a largely untapped source of learning. In 2021, over 50 lessons were distilled from OPA validations, with a particular focus on projects in the following sectors and areas: Energy, Eurasia, Financial Institutions, SEMED and Natural Resources. Lessons from validations are hosted in an online application called the Lessons Investigation Application, which last year was accessed over 500 times. However,

there is widespread recognition that this is an underutilised resource that needs improvement.

Looking forward, EvD will be continuing to support management on the design of a new self-evaluation system and its implementation with independent evaluation. As recommended by the Kirk Report, and as per international good practices, ownership of the self-evaluation system has already been transferred to management. The new self-evaluation system will entail a new unit in VP3, new IT infrastructure and new self-evaluation products. As the new self-evaluation system is being constructed, EvD is developing in tandem a new process for validating self-evaluation products.

3.2 Maximising the potential of evaluation recommendations

A key way that independent evaluation influences the EBRD's work is through delivery of well-substantiated, clear and actionable recommendations. This is what could be considered as "mandatory learning" in complement to "voluntary learning" that happens more through

discussions, outreach events and knowledge sharing (see Figure 4).

In 2021, important progress was made in implementing EvD recommendations combined with further efforts to improve the quality of new recommendations in line

Figure 4: The relationship between accountability and learning



with the recommendations outlined by a recent Internal Audit Report (see section 3.2.1).

3.2.1 Context: addressing the challenges in the recommendations process

In 2021 the EBRD's Internal Audit Department (IAD) assessed the follow-up process for recommendations, with a focus on design and operational effectiveness. This audit was to address the recommendation in the Kirk Report to review performance around preparation and implementation of management responses to evaluation recommendations. The Kirk Report found that management responses are not always comprehensive and, while follow-up action is reported to the Board, implementation is not verified.

The report by IAD found that the Bank's processes are generally working effectively, with respect to EvD recommendations that are accepted by management. However, the audit revealed that in the case of any disagreements between EvD and management, the Bank has not designed or implemented effective cost/benefit-based controls and there are some opportunities to enhance quality control of EvD's and management's documentation.

3.2.2 Follow up to EvD recommendations in 2021 and opportunities for improvement

Building on the 2021 IAD report finding, EvD and management agreed on an action plan to improve the quality of recommendations, and strengthen the follow-up process for validating the implementation of recommendations. For example,

EvD has already started revising its operational guidelines and is developing protocols for preparing independent evaluations. These protocols include an internal process to ensure that all recommendations logically derive from the findings, and the introduction of a technical meeting with management stakeholders prior to the Audit Committee presentation to ensure that recommendations are clear, well-substantiated and actionable.

In 2021, EvD has continued to further enhance the quality of its recommendations, while reducing the overall number per report.

In 2021, EvD provided 24 new recommendations through eight evaluations issued; Management fully agreed to 18 of them (75 per cent) while “partly” agreeing on the remaining six (25 per cent). While a good agreement rate is preferable, EvD does not aim for complete agreement on all recommendations. Some divergence and disagreement between management and independent evaluation is natural and to be expected.

Over the last year, significant progress was made on the implementation of several important EvD recommendations.

Four key themes emerged from EvD's recommendations in 2021, including i) articulating strategic approaches; ii) improving results management; iii) strengthening reporting processes; and iv) enhancing learning and knowledge management. This reflects both EvD's expertise in these areas, as well as the increased prioritisation of results and knowledge management following approval of the EBRD SCF 2021–25.

- i. **Several evaluations released in 2021 provided recommendations around clearly defining the Bank's strategic approach going forward.** This theme reflects the

“EvD recommendations are often too broad”

Management, February 2022

importance of providing clear guidance to Banking teams working in a competitive private-sector context and seeking to generate demand for the Bank's products whilst delivering transition impact, additionality, and sound banking.

- ii. **Suggestions on how to improve results management was also a recurring theme in recommendations made by EvD in 2021.** This included comments on appropriate use of theories of change as a framework for results management, which EvD suggested in the Evaluation of the Trade Facilitation Programme, as well as on identifying relevant sectoral-level transition result indicators.
- iii. **EvD also issued several recommendations related to strengthening the reporting process.** Recommendations on strengthening the Bank's framework for measuring the outcomes from Green Economy Transition projects have influenced the design of a new "Monitoring and Results Verification" system for Green Economy Transition projects. EvD plans to conduct an early review of this system in 2022.
- iv. Finally, EvD made multiple recommendations on learning and knowledge management within the EBRD, both within its study on Learning and Knowledge Management within the EBRD and in a series of other evaluations. These recommendations have informed the ongoing reorganisation of the VP3 division, and the integration of learning processes in the Bank's new Monarch IT system.

There were some positive examples from 2021 of the implementation of recommendations from earlier evaluations.

I The Bank's new "EBRD Mobilisation Approach 2021-25" demonstrated the influence of recommendations from a range of EvD reports, including from EvD's 2019 Evaluation of EBRD Mobilisation of Private Finance, the 2021 Evaluation of the Trade Facilitation Programme and the 2017 Evaluation of EBRD's Equity Operations.

I Recommendations from the 2020 Evaluation of the Ukraine Multi-Donor Account were implemented last year. Management developed a new results framework for the Multi-Donor Account, and provided additional training for Operation Leaders on managing Multi-donor projects.

I There was clear evidence of progress in the implementation of EvD recommendations from the 2020 Evaluation of the Legal Transition Programme. The Legal Transition Team prepared a Theory of Change for the Legal Transition Programme, in line with EvD's recommendations, and an accompanying results framework to strengthen results reporting.

Little progress was made on implementation of some recommendations in 2021. In some cases, this was due to the adverse consequences of Covid-19, which EvD recognises creates additional complexities and obstacles to implementation. As an example, there was no evidence of implementation of recommendations from the 2020 Evaluation of the Women in Business Programme, a result partially attributable to Covid-19.

Looking forward EvD and management will continue to work together to improve the recommendations system. For example, EvD and management will be working on mechanisms to improve the tracking and reporting of the implementation

of recommendations using IT. The current IT system is designed for managing risks, rather than the implementation of evaluation recommendations, and is perceived by both management and EvD to be unsuited to that task. EvD will also continue to provide comments on the draft Management Action Plans, and

attend relevant Strategy and Policy Committee meetings to discuss any remaining issues. This change will provide more opportunities for EvD and management to engage and resolve different opinions on the implementation of recommendations, and provide a clearer avenue for EvD to suggest further actions. ■

Outlook for 2022



The EBRD and its regions face complex, multi-dimensional challenges, and the Bank has an ambitious strategy for turning these challenges into opportunities. EvD will continue to support the Bank in achieving its priorities and realising these opportunities, including in times of crisis.

EvD's work programme for 2022 aims to support this process by identifying relevant topics that will support active and ongoing decision making in the Bank. Work programme topics are selected to reflect the Bank's SCF objectives to maximise their utility and relevance.

4.1 Evaluating in a challenging context

In the context of current crises, EvD is dedicated to remaining relevant and useful, without compromising its capacity to conduct independent evaluations of the EBRD's response in the future. EvD aims to do this by:

- i. Providing relevant evaluation lessons that can be of direct interest to the Board and management.** In 2021 EvD provided lessons from the recent assessment of the Bank's response to the Covid-19 crisis, which have informed management's work on the EBRD's response to the war on Ukraine, and shared insights on the development of the Results Framework.¹

Furthermore, two info-notes, one on the lessons from other MDBs dealing with refugee crises, and another on emerging findings from

the ongoing evaluation of the Shareholders' Special Fund (SSF),² have been recently circulated among Board members and management. EvD will continue providing timely short emails and notes with relevant evidence-based information from its own work and that of other institutions.

- ii. Being mindful of the situation and workload of colleagues in management.** The timeline and scope of upcoming evaluations have been adjusted according to the current situation. These adjustments are reflected in both project-level evaluations and validations, as well as complex evaluation studies, where in-depth evaluative work will be conducted without adding more burden to colleagues working on the most affected countries and cities.

¹ The Resilience and Livelihoods Framework for Ukraine.

² Expected at the Board's Audit Committee in mid-2022.

iii. **Integrating multi-dimensional elements of crises, including food security, municipal infrastructure, energy and green agenda threats, into the ongoing and future evaluation programme.** This will ensure that evaluation lessons and recommendations are adapted to the changing environment and continue to be relevant, forward looking and actionable. For example, the evaluation

approach used in the upcoming Agribusiness Sector Evaluation has been tailored to consider the implications that the war on Ukraine is having on food security across the EBRD region. Similarly, the second phase of the assessment of the solidarity package, based on an innovative and rigorous counterfactual methodology, will focus on providing tailored broad insights into the Bank's crisis toolkit.

“EvD consulted more widely on its planned studies”

Management, February 2022

4.2 Helping the Bank to fulfil its mandate

The objective of EvD's work programme for 2022-24 is to deliver a comprehensive assessment across the Bank's strategic priorities. Evaluations are also designed to build on each other, to optimise resources and to provide a holistic view of progress on the Bank's key objectives by the end of this work programme period.

EvD's work programme for 2022 contains an ambitious schedule of major evaluations, remaining agile while developing its new strategic direction. The selection of evaluation products is designed to clearly map onto the Bank's Strategic and Capital Framework 2021–25 priorities, and builds on lessons and insights from previous evaluations, as well as EvD's analysis of relevant external and internal trends. In 2021, the work programme preparation was supplemented with an extensive consultation process with management and Board aimed at discussing the relevance, timeliness and feasibility of evaluation products.

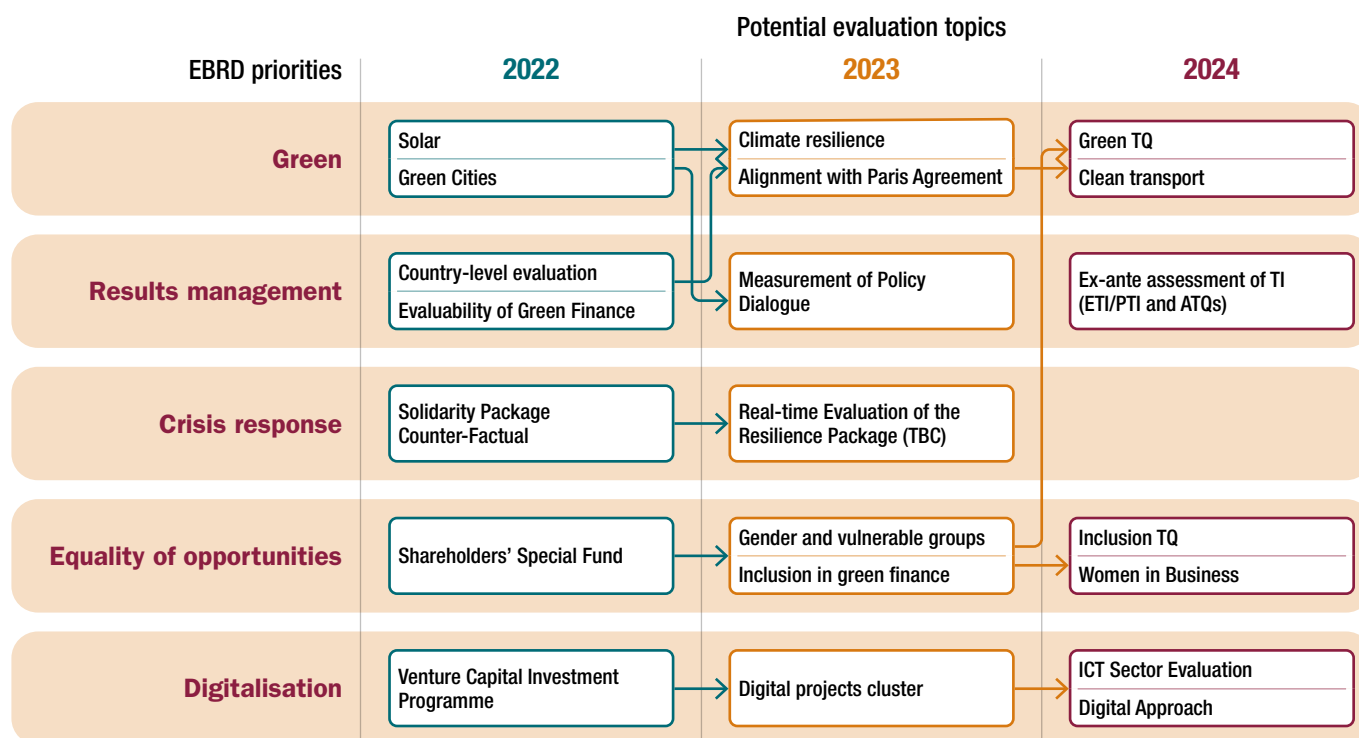
EvD's work programme for 2022–24 provides a balanced product mix for the coming years. This includes expanding the range of products to include country-level³ and project-level evaluations, starting in 2022. **Selected evaluations that EvD is working on in 2022 focus on five key themes: Digitalisation, equality of opportunity, green, transition impact and results measurement and crisis response** (see Figure 5), which align with EBRD strategic priorities.

1) Digitalisation

The Evaluation of the Venture Capital Investment Programme (VCIP) will focus on this unique framework, operational since 2012 but never evaluated, which is designed to allocate equity financing to digital start-ups in the regions in which the Bank works.

EvD will also be conducting a cluster review of digital projects, to be delivered in

³ The first country evaluation will be delivered as pilot, building on the review of the results reporting of the Bank at country level.

Figure 5: EvD delivering upon Bank priorities

2023, and will provide an interim assessment of the implementation of the Enhanced Approach to the Digital Transition in 2024.

2) Equality of opportunity

I A timely evaluation in this context will look at Shareholders' Special Fund (SSF), a key tool in the Bank's armoury for employing grant funding to support addressing inclusion gaps. This evaluation is focusing on the processes and institutional architecture of the Shareholders' Special Fund, in order to strengthen its functionality.

I The evaluation of the EBRD's Approach to Early Transition Countries is expected to shed light on the Bank's progress towards delivering the stated SCF priority of increased focus on early transition countries, along with Western Balkans and southern and eastern Mediterranean regions, and

generate useful lessons for the potential expansion into Sub-Saharan Africa.

3) Green

I The evaluation of the EBRD's operations in the solar sector will be critical both to inform the Bank's Green Economy Transition targets but also to the Global Energy Transition. The Cluster Evaluation of Solar Projects will provide findings and insights on the performance of a sample of the Bank's solar projects. It also builds on the Board's strategic retreat in February 2022, which discussed the importance of developing a holistic approach towards building energy systems.

I A key 2022 evaluation will cover interim findings from the implementation of the first phase of the Green Cities Programme. This framework has grown rapidly and has become a pivotal instrument to support the Bank's ambitious Green

Economy Transition targets as well as alignment with the Paris Agreement. It also represents a new business model for the Bank, with significant technical cooperation assignments used to generate demand.

I In subsequent years, EvD intends to cover the EBRD's climate resilience operations, and provide an overarching assessment of the Bank's alignment with the Paris Agreement as well as of progress towards the "Green" Transition Quality.

4) Transition impact and results management

I EvD plans to conduct a pilot country evaluation in 2022. The aim of this exercise would be to assess the "missing middle" between the Bank's activities and systemic transition impact, and provide another perspective for assessing Country Strategies and Country Strategy Delivery Reviews.

I EvD will also examine the results measurements systems and processes for the Bank's Green Finance projects to assess the extent to which they are evaluable. This process is meant to be collaborative with management with the intention to ensure that as the Bank evolves towards becoming a "Green" MDB, it has the internal systems and processes in place to credibly measure and demonstrate the results of its green financing.

5) Crisis response

EvD is currently implementing a counterfactual evaluation of the solidarity package, which is the first time EvD will use a methodology from Impact Evaluation. The purpose of this evaluation is to inform and provide guidance on the EBRD crisis toolkit. In addition, EvD will explore the feasibility of a real-time evaluation of the Ukraine Resilience Framework, in coordination with Board and management.

4.3 Looking forward to working together

To deliver this ambitious work programme, EvD will need to make concrete progress on implementing the department's new strategic direction. In 2022, there will be clear and significant operational changes: EvD will be hiring to develop its specialist expertise, setting up the new Evaluation Knowledge Management (EKM) unit, and building its capability to host both internal and external webinars, amongst other priorities.

Going forward, EvD will deepen engagement with its audiences, to share and communicate lessons and insights from evaluation effectively and become a recognised knowledge hub for the rest of the Bank. EvD will continue to develop knowledge products and will put a renewed focus on the dissemination of evaluation findings, including through more webinars and events within the Bank.

EvD intends to **continue to strengthen its capacity and expertise, including with the use of innovative approaches**

and new technologies, to bring evidence-based knowledge for accountability and learning purposes. It will continue to engage with all stakeholders within the Bank while building partnerships outside. EvD will remain agile in responding to the needs and demands of the EBRD's Board of Directors and other stakeholders, taking into account the changing environment while keeping track of the long-term objectives of the institution.

EvD can best support EBRD in delivering its priorities not by being complaisant, nor by being unfair, but by doing what the evaluation function is meant to do: Provide an independent and objective view on how the EBRD is doing and how it could perform better for greater additionality and transition impact.

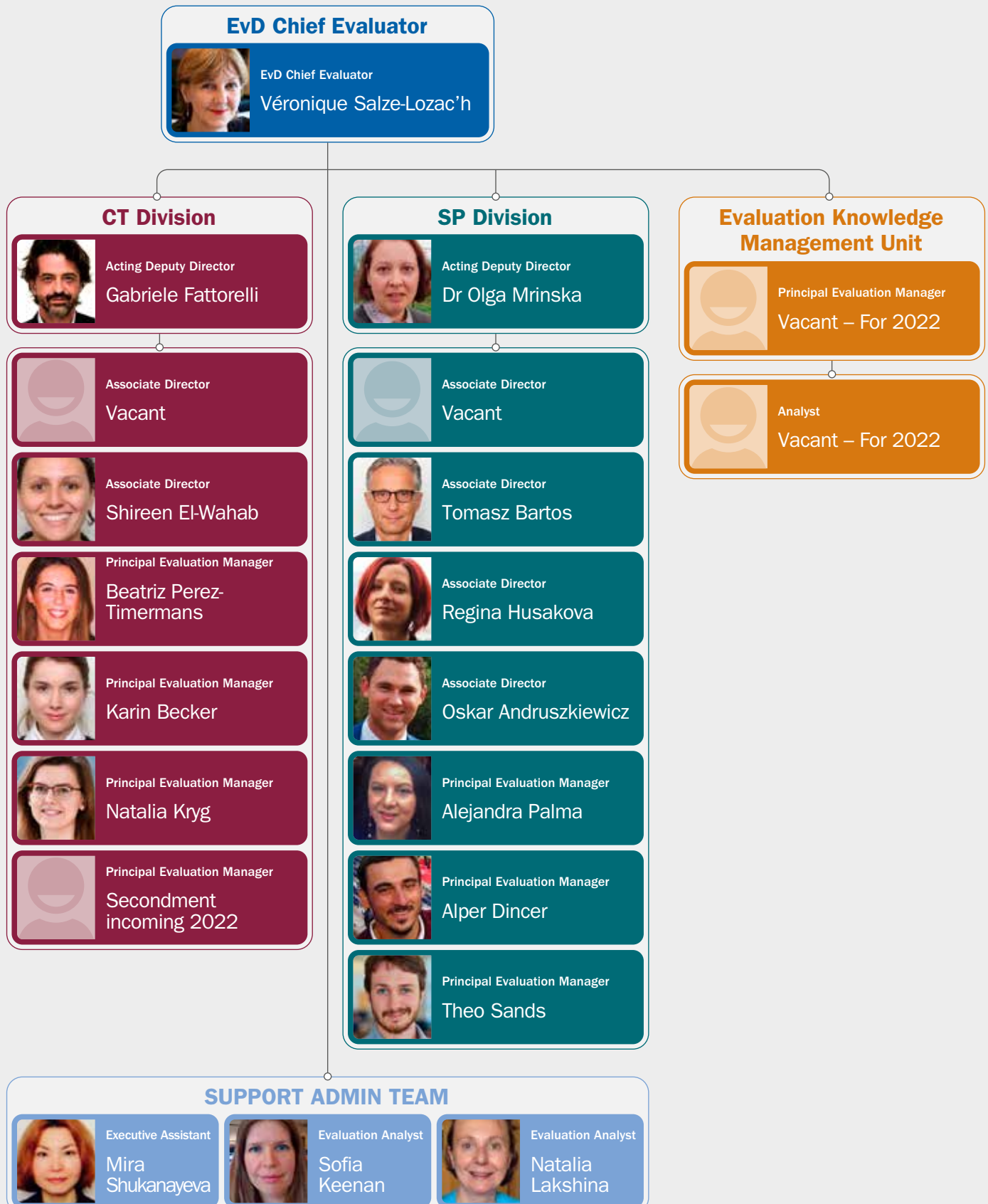
There will be discussions, there may be disagreements, EvD might bring unpleasant news – but the aim will always be to provide evidence that leads to better results. ■

Annexes

Annex 1	Introducing EvD staff	32
Annex 2	EvD products delivered in 2021	33
Annex 3	Overview of EvD Work Programme 2022–2024	54

Annex 1 Introducing EvD staff

The EvD team is introduced below, as part of the new structure. Five positions are under recruitment.



Annex 2 EvD products delivered in 2021

This annex sets out the EvD products delivered in 2021, including eight evaluations split across the corporate, thematic, sector and project and cluster groups, 24 validations of self-evaluations, four knowledge products as part of the Connecting the Dots series, 18 information notes and briefing sessions to the Board and Management, and the Annual Evaluation Review (AER).



Corporate

- Learning and Knowledge Management at the EBRD
- Review of Strategic Implementation Plans

Thematic

- EvD Rapid Assessment of the Solidarity Package
- The EBRD's Use of Nominee Directors for Equity Investments
- Trade Facilitation Programme

Sector

- Sustainable Infrastructure in Advanced Transition Countries
- Health Sector Interventions

Cluster

- Hydrocarbon Cluster Evaluation

Validations

- 24 Validations of Management's self-evaluation products. These are not published for client confidentiality reasons, but information is available on request email evd@ebrd.com.

Knowledge products

- Connecting the Dots: What does a decade of evaluation reports say about the future of International Finance Institutions' interventions in climate finance?
- Connecting the Dots: Evaluation insights on International Financial Institutions support to gender mainstreaming

- Connecting the Dots: Doing and expanding business in Sub-Saharan Africa by multilateral development banks – selected evaluation insights
- Connecting the Dots: What can we learn from International Financial Institutions' operations in Egypt?

Information notes and briefing sessions

EvD produced 18 separate information notes and briefing sessions to the Board and Management across the topics of: independent and self-evaluation; theory of change and evaluability; results management; follow-up on recommendations; knowledge management; workshops on health and public private partnerships and the financial sector strategy. For the full list see below.

Corporate



Learning and Knowledge Management in the EBRD

Background

The 2019 Independent External Evaluation of the EBRD's Evaluation System recommended that EvD undertake a thematic evaluation of learning and knowledge management at the EBRD. Board and Management agreed with this recommendation, and EvD subsequently delivered this assessment in 2021. The focus of the evaluation was on internal processes and policies to support learning and knowledge management inside the Bank. This evaluation also supported the SCF 2021-2025, which made an explicit commitment to strengthening the Bank's learning and evaluation culture.

Main findings

- | The EBRD lags behind comparator organisations in the IFI, private and philanthropic sectors. The evaluation considers the EBRD to be a prototype knowledge organisation.
- | EvD found that there were mixed perceptions around the extent to which EBRD was open to learning from mistakes, with focus being on learning from successes.
- | Individual staff incentives and time availability do not allow reflection, creation and sharing of knowledge, or innovation.
- | Unlike most IFIs, the EBRD does not have a dedicated knowledge management function. The Knowledge Management team is small and mostly donor-funded, which creates a risk that LKM activities are prioritised on the basis of donors' objectives rather than the Bank's needs.
- | Significant gaps in IT, data governance and flow of knowledge persist despite progress made. Opportunities offered by new technologies such as machine learning, cognitive automation and Artificial Intelligence are untapped.
- | The lack of an EBRD LKM strategy, policy or framework means there is no clear statement of the business proposition for LKM.

EvD recommended the following:

1. Clarify EBRD's ambition: define the value proposition for LKM relative to the EBRD's strategic objectives and transition mandate.
2. Create a supportive environment with incentives: prepare, approve and implement an LKM framework or enhanced approach to deliver the defined value proposition through core function. It should include all essential elements as presented in this evaluation.
3. Commit adequate core human and financial resources matching the ambition of the approved LKM framework/enhanced approach.

4. Measure value and progress: establish a system comprising a theory of change, case studies and performance metrics for measuring and reporting on the achieved value-added of LKM, conduct regular reviews of the process and results of the EBRD's LKM to feed into budgeting and the SIP strategic process; and evaluate results achieved at the end of the SCF 2021–2025 period.

EvD's evaluation of Learning and Knowledge Management in the EBRD is available [here](#).

Management response

Management accepted the recommendations made by EvD in this report, with the caveat that full and immediate implementation is unlikely to be feasible without dedicated core resources. Evaluation has impacted the internal restructuring process in Vice Presidency Policy and Partnerships, which has been completed in Q2-2022. Specific Action Plan has now to be developed to implement EvD recommendations.

Corporate

Review of Strategic Implementation Plans (SIPs)



SPECIAL STUDY

**Review of Strategy Implementation Plans
(2016-2021)**


EvD ID: SS20-156
October 2021
EBRD EVALUATION DEPARTMENT

Background

In 2014 the EBRD made major changes to the strategic planning approach used since its founding, replacing relatively simple and rigid five-year reviews of capital adequacy (Capital Resource Reviews - CRR) with a substantially more flexible multi-year planning and budgeting process. The new strategic planning system comprised two integrated processes/instruments: a five-year Strategic and Capital Framework to be approved by the Board of Governors, and a three-year Strategy Implementation Plans (SIP) prepared on a rolling annual basis, to be approved by the Board of Directors. Following approval of the SCF 2021–2025, Board Directors asked EvD to review previous SIPs to provide findings and lessons on early experiences that could usefully inform the ongoing SIP process and content with a view to improving the operationalisation of the SCF. The scope of the review included all 6 SIPs from 2014–2020.

Main findings

- | EvD's assessment found that the 6 SIPs under review were broadly technically sound and fit-for-purpose. The rolling, 3-year timeframe combined flexibility with a long-term direction, whilst SIPs were also well integrated with the overarching SCF as well as the Country Strategies.
- | One area of improvement would be to better document ongoing discussions and exchanges between Board and Management on the SIP. This would improve transparency and improve knowledge management and lesson retention during the SIP process.
- | There is clear need for meaningful integration of the business plan with the budget. Budget information is still organised by business lines while the SCF is defined on the basis of cross-cutting strategic and thematic priorities; the underlying narrative to “connect the dots” remains unfinished.
- | SIPs have limited evaluability or associated monitoring frameworks.

Given the breadth and complexity of the SIPs, EvD decided not to issue prescriptive recommendations following this paper. However, EvD did identify some broad suggestions for discussion, which are listed below:

1. Introduce improved SIP practices and set them as an integral part of the SIP preparation process, including: i) use a series of Committee discussions on budget ‘cornerstones’ and on compensation and benefits elements; and ii) monitor systematic efficiency gains across the Bank with a clear and early indication of potential annual savings; this will support a culture of continuous review in order to maintain optimal resourcing.
2. Enhance transparency around the SIP preparation process; this may include underpinning the SIP production process with a solid information management system, keeping track of lessons and issues that have been identified during earlier SIP preparation and consider how they would be addressed and reflected upon in future SIPs.

3. Stronger linkage between SIP budget and SIP business plans, including alignment of the corporate scorecard, both in terms of presentation and narrative and as a decision-making tool. The SIP may include a discussion around portfolio level considerations, such as reaching a critical mass of investments to achieve specific objectives, synergies between different types of instruments and results expected from activities that are not TI-rated on their own, such as stand-alone policy engagements, or advisory for small businesses.
4. External review (“fresh look”) of the budget issues, including the development of a suitable results-based budgeting approach; this may enhance the understanding of the costs of the Bank’s operations and what resources are necessary to achieve the SCF2 priorities (such as for enhancing the monitoring, evaluation and learning [MEL] function).

EvD’s review of Strategic Implementation Plans is published online [here](#).

Management response

Management welcomed EvD’s discussion paper on the Strategy Implementation Plans, and the acknowledgement that the SIPs are fit for purpose and provide a broad framework for the Bank to pursue its strategic objectives. Management recognised the potential value of aligning the budget organisation with the SIPs, rather than on the basis of business lines, but highlighted that this will be an ongoing process requiring significant IT enhancements to enable more effective data capture. Management also suggested that whilst the SIP itself does not have a monitoring framework, there are other tools to monitor delivery of strategic priorities which provide a perspective to the Board on SIP implementation.

Thematic

Rapid Assessment of the Solidarity Package



Rapid Assessment of the EBRD Solidarity Package



European Bank
for Reconstruction and Development

Background

The Covid-19 crisis provided a unique stress-testing environment of the Bank's business model and the ways in which it operates. The pandemic caught everyone by surprise. The EBRD reacted swiftly by approving its Covid-19 response package as the first among its IFI's peers.

EBRD launched the so-called Solidarity Package to "stand in solidarity with Bank shareholders, countries of operations, partners and clients in this time of need". In order to provide emerging evidence of the implementation of the Solidarity Package, which was requested by the EBRD's Board and required for real-time decision making by the EBRD's Board, EvD conducted a Rapid Assessment of the Solidarity Package.

This knowledge product followed a real-time evaluation approach, used for the first time in EvD. It implied a focus on process and outputs, rather than on outcomes and impacts, and followed a more streamlined and sequential processes of delivery than it is the case in a more traditional ex-post evaluation.

Main findings

1. The Solidarity Package was very reactive in addressing the early needs of EBRD's clients, but it was a supply rather than demand driven approach.
2. The Bank's response was very rapid but should have remained more agile over time. The response to the evolving needs of the private sector would have benefited from the adaptation loop mechanism.
3. The Solidarity Package succeeded in addressing the short-term liquidity needs of the Bank's existing clients. However, there was no provision of support to other groups in countries and sectors that were affected and were not eligible for the Bank's emergency support.
4. The speed of the Bank's response, and the crisis situation, came understandably, at the expense of collaborating with other International Financial Institutions.
5. This stress-testing environment showed that there is an urgent need to learn and adjust the Bank's ways of working and develop the tools for continued effective business as well for extraordinary events. For instance, by: i) remaining agile and responsive to the private sector as a whole, ii) avoiding missed opportunities to support transition, including cultivating business networks, iii) having an effective set of tools ready to be used as and when the next crisis hits, iv) investing more in monitoring and measuring results, v) taking time to learn and adapt.

Management response

Management appreciated the rapid assessment of the Solidarity Package, and recognised the value of real-time evaluations to provide early lessons

and identify corrective actions. Whilst Management broadly agreed with some of the lessons identified by EvD on responses to future crises, there were disagreements on some of the findings within this report. In particular, Management argued that the data did not suggest a mismatch between supply and demand, nor that the short-term focus of some of the Solidarity Package projects led to trade-offs with respect to the Bank's longer-term objectives on gender mainstreaming. **Upon Board request Management agreed to work with EvD to transform important suggestions in the report in recommendations and action plan in order to improve the Bank crisis toolkit.**

Thematic



SPECIAL STUDY

EBRD's Nominee Director Programme



EvD ID: 5519-143
May 2021

EBRD EVALUATION DEPARTMENT

The EBRD's Use of Nominee Directors for Equity Investments

Background

The EBRD has used Nominee Directors in direct equity investments since 1991. Nominee Directors are viewed as both an instrument of transition and impact, and a tool to represent the Bank's interests as a minority shareholder. As of 2021, 49% of all active direct equity projects involved an EBRD Nominee Director. This evaluation was EvD's first review of the Nominee Director Programme, and focused on the purpose, operational structure, and results.

Main findings

- Evidence showed Nominee Directors added value through frequently playing a significant role on Board Committees, Value Creation Plans (VCPs) and Corporate Governance Action Plans (CGAPs) and their experience may become a distinctive valued corporate asset.
- The selection of Nominee Directors is biased towards internal candidates, and whilst good progress towards gender-balance has been made, it falls behind IFCs.
- There is no clear articulation of the strategy and use of Nominee Directors in achieving objectives in direct equity projects, despite their widespread use.
- Opportunities to share lessons between the Bank's Nominee Directors are not being realised. Incomplete record-keeping and variable briefing/standard setting limits effective knowledge management.

EvD identified the following recommendations:

1. Develop an Equity Policy, Strategy or Approach covering key priorities for use of EBRD NDs across the Bank' wide range of direct equity investments. Link the strategy/approach to updated operational guidance, duties, principles, rules and procedures. Provide details on how to ensure a diverse and high-capability pool of candidates, through use of networks, and development of supporting knowledge management and information systems.
2. Update and standardise objective setting, monitoring, reporting and assessing ND inputs and defining incentives. Provide and keep record of briefing packs for NDs upon appointment, and track ND's contributions to EBRD objectives. Require OLs to regularly report on ND contributions to VCPs and CGAPs through strengthened annual ND assessments, final assessment and de-brief on conclusion of the assignments.
3. Mine the ND experience as a valuable and distinctive corporate asset for insights to inform new projects, and to expand on existing orientation material for new NDs.

4. Recruitment/retention of NDs, particularly from outside the EBRD orbit, merits a more systematic and ambitious approach. This could tap into board networks across the COOs, along the lines of IFC's approach. Consider a formal mentoring programme for suitable internal mid-level staff. Review current incentive levels for both internal and external NDs.

The evaluation of the EBRD's Use of Nominee Directors for Equity Investments is available online at the following [link](#).

Management response

Management agreed with all of the recommendations with the exception of the first, which it partially agreed with. Rather than develop a separate strategy to cover the use of Nominee Directors, Management instead suggested that revised guidance on the use of Nominee Directors could be included in the Enhanced Equity Approach.

More broadly, Management emphasised in response that the primary duty of Nominee Directors is to act within the best interests of the company, rather than represent the EBRD's interests or advance transition impact objectives. Any strategic framework on Nominee Directors will have to recognise the potential limits on their use given this prioritisation of responsibilities.

Thematic

Trade Facilitation Programme



Background

The Trade Facilitation Programme (TFP) aim to promote foreign trade to, from and within the EBRD regions by providing guarantees and trade-related cash advances. In 2020, the TFP supported the financing of foreign trade totalling more than €3.3 billion. TFP projects are broadly managed through a standalone framework, with decisions taken under delegated authority. The Audit Committee of the EBRD requested an independent evaluation of the Trade Facilitation Programme to inform the Board's decision on the proposed renewal of the TFP in 2021. The evaluation focused on the strategic fit of the TFP with the revised Transition Qualities framework, changes in the composition of the TFP portfolio, and results and performance issues.

Main findings

EvD's evaluation identified the following set of findings:

- The objectives of the TFP lack clarity, with multiple objectives presented in multiple documents. Some objectives do not have clearly defined operational indicators to assess performance. There is also no TFP Theory of Change, which contributes to a weak conceptual relationship between outputs and outcomes.
- The main TFP target is Annual Business Investment (ABI). Addressing that target does not necessarily lead to additionality, transition impact, or bankability. There is little evidence of TFP financial additionality, and some cause to suggest that TFP prices undercut commercial rates, crowding out private sector providers.
- The TFP has not been responsive to the EBRD's strategic initiatives. 40% of TFP trade derives from high-emission sectors, and the portfolio composition has shifted away from Early Transition Countries (ETCs).
- The governance arrangements for the pricing of TFP products are not robust, with some risk that EBRD financing is leading to low profitability and crowding out of the private sector.

EvD provided the following recommendations:

1. Prepare a Business Case for TFP for discussion with the Board. The Business case should analyse options for new products and markets, institutional arrangements for meeting the needs of both banking and corporate clients, and TC requirements to support market development and mobilisation.
2. Present to the Board a TFP results framework that is based on a Theory of Change and establishes causal links from activities to impacts, and scales resource allocation relative to expected contribution to TI.
3. Present to the Board a review of governance for pricing of finance products (including TFP) – make recommendations on options for reform including establishment of ex ante minimum return benchmarks for all

of EBRD's instruments and inclusion of minimum return on investment component in staff scorecards.

4. Transfer responsibility for mobilisation of the TFP portfolio to Loan Syndications.

EvD's evaluation of the Trade Facilitation Programme is available on the EBRD's website [here](#).

Management response

Management provided extensive comments on this paper. Management was fully in agreement with Recommendations 1 and 2, and agreed to provide Board with a business case for the TFP with an accompanying Theory of Change and Results Framework as part of the programme renewal. Management partly agreed with Recommendations 3 and 4. Whilst Management stated it did not intend to introduce an ex-ante minimum return benchmark, it would conduct a review of the process for pricing trade finance transactions to identify if there were opportunities for improvement. With respect to Recommendation 4, management suggested that rather than transfer responsibility of mobilisation of the TFP portfolio to Loan Syndications, they would institute a new 'enhanced cooperation' approach to make optimal use of the expertise in both teams.

Sector



CLUSTER EVALUATION

Sustainable Infrastructure Operations in Advanced Transition Countries



EVD ID: 5520-158

July 2021

EBRD EVALUATION DEPARTMENT

Sustainable Infrastructure in Advanced Transition Countries (ATCs)

Background

The evaluation focuses on the period 2011–2019 and reviews 27 operations in three sector-country case studies: i) MEI operations in Croatia; ii) Transport operations in Hungary, and iii) Energy operations in Poland. It focuses on the relevance, results and transition impact of the operations. The three cluster reviews are available as case studies.

Main findings

- Sustainable infrastructure projects were relevant to sector needs and their links to the wider sector context were usually well articulated. Whilst operations were broadly in line with governments objectives, they were not always coherent with actual government policy.
- EBRD was able to demonstrate non-financial additionality, through the provision of technical cooperation and policy dialogue.
- The introduction of the Transition Quality ‘Green’ represents an opportunity for renewed transition relevance in the sustainable infrastructure in ATCs. However, it is critical that there is a robust monitoring system to establish the credibility of results reporting. The current system of using ex-ante GET data to report on ex-post results is not adequate.
- Current results reporting also does not capture sector level transition progress. This undermines the Bank’s ability to understand its contribution to reducing transition gaps.

EvD identified the following recommendations:

1. At the closure of all frameworks and integrated approaches, management should circulate to the Board a final report presenting results and transition achievements of the framework/ Integrated Approach (IA), supported by a balanced discussion of these achievements, and a review of lessons for future operations.
2. Using the GET database for aggregate reporting on the achievement of physical indicators should be discontinued.

EvD’s Evaluation of Sustainable Infrastructure Operations in Advanced Transition Countries can be found online [here](#).

Management response

Management agreed that there was a gap in the Bank’s results architecture with respect to sectoral level transition progress, and suggested that the new self-evaluation system could undertake end-of-framework evaluations. However, given availability of resources, management did not think full

coverage of all frameworks via the self-evaluation system was appropriate. Management fully agreed with the second recommendation, and outlined a plan to develop a new green Monitoring and Results Verification (MRV) system, with a view of covering all GET projects by 2022.

Sector

Health Sector Interventions



SPECIAL STUDY

EBRD's Health-Focused Interventions



EvD ID: 5519-146

June 2021

EBRD EVALUATION DEPARTMENT

Background

During 2020 the EvD conducted a multi-project evaluation of the EBRD's health-focused interventions. These comprise activities in the healthcare equipment and services sector, but exclude activities in the pharmaceutical industry. EvD analysed the Bank's activities since 2008, including direct financing in health care infrastructure and services, and business advisory services. This included, inter alia, investments made under the Bank's 'Updated Approach to the Health Sector' and the 'Turkey Hospital Facilities Management Public Private Partnerships Framework'.

Main findings

- The Bank lacks a comprehensive strategy/policy level statement on its objectives in health. Most of the Bank's financing and activities were outside the scope of the Updated Approach.
- This translated into an incoherent set of results frameworks tracking outcomes from health projects. There is no clear system for measuring health-related impacts, and as currently defined health is not a subcomponent of any of the Transition Qualities. This means the Bank cannot meaningfully report its contribution to Sustainable Development Goal (SDG) 3 ('Good Health and Well-being').
- Affordability of healthcare was central to Board debates in this sector, but the term is not operationalised or defined in any systematic way, for example to drive project selection and assessment.
- There were clear successes from the Bank's participation in PPPs, which blended investment with TC and policy dialogue.

EvD issued the following recommendations:

1. Prepare health sector strategy or approach for Board review and endorsement.
2. Ensure that a transparent, adequately resourced and clearly managed results system is in place.
3. PPP engagements should conduct a prior review of the capacity of the procuring authority and consider capacity building TA as a condition of EBRD involvement.
4. Prepare full analysis of how PPP design balances public and private interests, allocates risks, and compares to PPP best practice as part of future PPP Board approval.

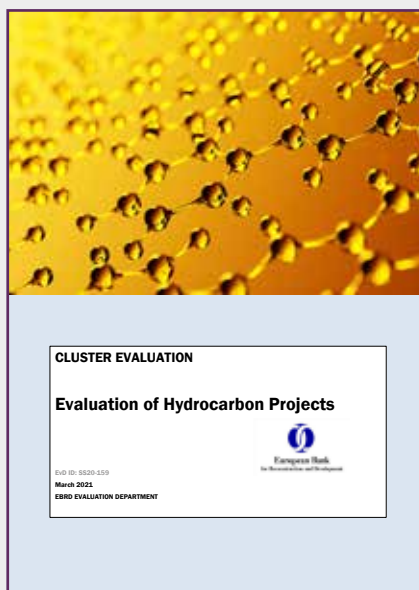
The full evaluation of the EBRD's Health Sector Interventions is available online [here](#).

Management response

Management agreed with recommendations 1 and 4, and partially agreed with recommendations 2 and 3. Management did not agree with the suggestion that healthcare should be included as specific sub-component of the Resilience TQ, and also suggested that the current TOMS system and compendium of indicators was robust enough to capture the results from health-related projects. With respect to recommendation 3, whilst Management agreed on the importance of TA capacity building, they did not think it was appropriate to include it as a condition of EBRD involvement. Management did agree to prepare a revised version of the Updated Approach to Health projects to submit to Board following this evaluation.

Cluster

Hydrocarbon Cluster Evaluation



Background

The Hydrocarbon Cluster Evaluation covered 6 hydrocarbon projects, and sought to identify common trends, lessons and themes relevant to the sector. This evaluation came at a pivotal time, with the Energy Strategy 2019–2023 outlining the Bank’s move away from financing coal-related and upstream oil projects, and the commitment made at the Bank’s 2021 Annual Meeting to achieve full Paris alignment by end-2022.

Main findings

- Energy efficiency & environmental components added relevance. They were implemented in most of downstream projects but in upstream operations they were secondary to drilling and often delayed or not implemented.
- There is no clarity among bankers on institutional positioning of EBRD towards hydrocarbons. New Country Strategies strongly promote renewable energy and diversification away from hydrocarbons.
- Additionality was questionable with very large and strong clients – some ranking among the largest corporates in the region.
- It was difficult to trace the use Bank’s proceeds in most projects. Cash-generating drilling was prioritised and financed first from the loan proceeds, rather than the TI-related components which, according to the Board reports, were to be funded by the Bank.
- Due to questionable additionality (and a controversial sector), most projects had a very complex transition structure, with TI benchmarks ranging from 7 to 32, some of them with vague or absent linkages to the project’s components. Transition results were modest.

EvD provided the following strategic-level recommendation:

1. Prepare either an Approach Paper to Hydrocarbon Operations for consultation with the FOPC or a series of Business Information Sessions for the Board addressing this issue. The engagement with the Board should aim at enabling greater clarity for the Board and the bankers as to operational priorities and scope of the Bank’s intended operations in the hydrocarbons sector. Such a paper or presentations should provide a higher degree of specificity than that of the current Energy Sector Strategy and cover policy dialogue and TC objectives for selected countries.

At the project level, EvD identified the following recommendations:

2. For any new hydrocarbon projects ensure greater clarity of the Board reports, particularly in respect of the application of the loan proceeds and sponsor/client contribution.
3. Ensure that in principal the sponsor/client contribution is invested up front

4. Continue policy dialogue with selected partners, focusing on broader energy policy support, including to the extent possible, better utilisation of hydrocarbon sustainability funds.
5. Ensure that hydrocarbon price forecasts are subject to robust sensitivity analysis.

EvD's cluster evaluation of Hydrocarbons is available [here](#).

Management response

Management agreed with all of EvD's recommendations. With respect to recommendation 1, in response Management submitted an Approach Paper on EBRD's Approach to Fossil Fuels to the FOPC in 2021, with provided greater clarity on the role of hydrocarbon investments in light of GET 2.0.

The one major area of disagreement was on EvD's finding concerning the questionable additionality of financing. Management argued that financing for hydrocarbon projects was not readily available from domestic commercial banks, and that the EBRD also offered additionality via the perception of political projection and through standard-setting.

Knowledge product

Connecting the Dots Knowledge Products Delivered by EvD in 2021

Last year, EvD launched a new series of knowledge syntheses of key lessons drawn from evaluation reports of EvD-EBRD as well as other evaluation units. The series is called **Connecting the Dots: Evidence that Drives Change**. The objective of this series is to share selected relevant and timely evaluation lessons that could be of specific interest to the Bank as part of EvD's efforts to make evaluation useful and used.

EvD has launched four Connecting the Dots, on climate finance, gender mainstreaming, investing in Sub-Saharan Africa, and operating in Egypt.

Connecting the Dots: What does a decade of evaluation reports say about the future of International Finance Institutions' interventions in climate finance?

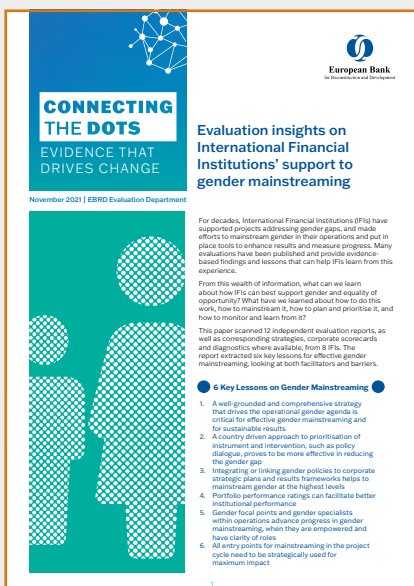
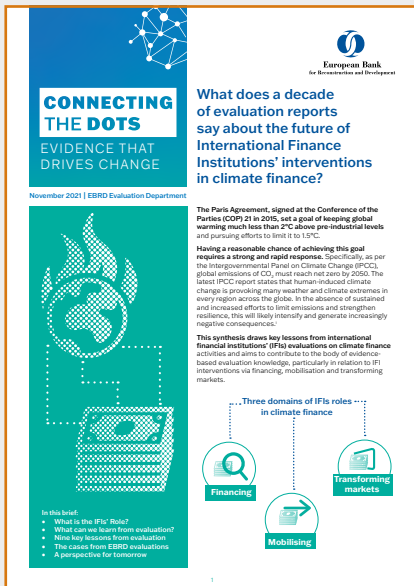
EvD's first Connecting the Dots piece looked at evaluation lessons about the future of IFIs' interventions in **climate finance** and provides a summary of lessons drawn from 102 reports. The note asks and tries to respond to the following question: *What do a decade of evaluation reports say about the future of International Finance Institutions' interventions in climate finance?* It came up with nine lessons that focused on the three domains of IFIs' roles in climate finance: financing, mobilising and transforming markets.

At the start of the project-cycle, one lesson on improving the success rates of climate finance projects is integrating upstream diagnostic and risk assessment. Climate finance is a dynamic sector, with an evolving technological base, growing interest from a range of stakeholders, and rapid changes in the regulatory regime. Within this context, and given the dynamism involved, robust and comprehensive diagnostics and risk assessments are critical to ensure adequate coverage of a project's feasibility in the medium/long-term future.

Evaluation reports also noted the importance of mobilisation of additional finance, and identifying the balance between using concessional finance to tackle market failures and mobilising commercial finance to address the climate finance gap. This includes employing innovative financing instruments such as green bonds or quasi-equity investments, which change the risk profile of climate finance and therefore helps to stimulate private sector mobilisation.

Connecting the Dots: Evaluation insights on International Financial Institutions support to gender mainstreaming

The second issue looks at evaluation insights on IFI support to **gender mainstreaming**. This paper scanned 12 independent evaluation reports, as well as corresponding strategies, corporate scorecards and diagnostics where available, from 8 IFIs. In particular it looked at two questions: i) what can we learn about how IFIs can best support gender and equality of opportunity? and ii) What have we learned about how to do this work,



how to mainstream it, how to plan and prioritise it, and how to monitor and learn from it? The report extracted six key lessons for effective gender mainstreaming, looking at both facilitators and barriers.

One key lesson identified by this Connecting the Dots was on the importance of collecting and monitoring data on gender mainstreaming within corporate results frameworks. Robust data collection and monitoring systems is a critical first step towards identifying gaps and helps ensure meaningful implementation of gender mainstreaming strategies.

Previous evaluations also highlighted the importance of taking a country-specific approach to gender mainstreaming instruments. This recognises that the gender-based barriers are context-specific, and that without taking a tailored and country-driven approach there is a risk of employing inappropriate or ineffective gender mainstreaming tools.

Connecting the Dots: Doing and expanding business in Sub-Saharan Africa by multilateral development banks – selected evaluation insights

The third EvD issue focuses on the experience of selected MDBs in **operating in the Sub-Saharan Africa (SSA) region**. The evaluation team reviewed over 40 independent evaluation reports produced by the AfDB, EIB, IFC, WB and EBRD to draw the relevant evaluation insights. The paper provides i) a brief context of the growing presence of multilateral development banks, ii) information about the SSA region and its challenges and opportunities and iii) comes up with seven lessons. The lessons are applicable at any stage of an MDB's engagement in the Sub-Saharan Africa region, whether prior to its expansion or while already on the ground.

A key finding identified by EvD in this piece was on the importance of 'Boots on the ground' for MDBs investing and doing business in Sub-Saharan Africa. This recognises that this is a challenging operating environment, with a high number of fragile states, and a unique set of developmental and transition barriers. Without a local presence, MDBs risk operating with a limited understanding of local stakeholders and low visibility of contextual developments.

The large informal economy that predominates in many Sub-Saharan African countries also requires a distinct and tailored approach, particularly from a private-sector focused MDB. This feature relates to another challenge of doing business in Sub-Saharan Africa, which is the scarcity of bankable private sector projects. This often implies that MDBs have to take a more pro-active approach in doing upstream work and policy dialogue in order to build a pipeline.

Connecting the Dots: What can we learn from International Financial Institutions' operations in Egypt?

The fourth issue focuses on insights from EvD and recent evaluations from AfDB and WBG, around the **experience of operating in Egypt**. The note aims at providing lessons related to the following question: what can we learn from evaluation on supporting EBRD's work in Egypt? The note offers operational and strategic insights from over 30 EBRD self and independent evaluations in Egypt, seven independent special studies and two recent evaluations from Independent Development Evaluation at the AfDB and the WBG. EvD extracted four lessons including some suggestions from

CONNECTING THE DOTS
EVIDENCE THAT DRIVES CHANGE

January 2022 | EBRD Evaluation Department

Doing and expanding business in Sub-Saharan Africa by multilateral development banks – selected evaluation insights

This note highlights key evidence-based lessons from independent evaluation reports on multilateral development banks' (MDBs) operations in Sub-Saharan Africa (SSA), a region of possible limited and incremental expansion for the EBRD. To this end, the EBRD's Independent Evaluation Department (EVD) conducted an in-depth screening of 40 independent evaluation reports, focused predominantly on private rather than public sector operations, that have been published over the last decade by the African Development Bank (ADB), the European Investment Bank (EIB), the International Finance Corporation (IFC), the World Bank (WB) and the Development Finance Institutions' (DFIs) Working Group. This body of evidence was further substantiated by seven independent evaluation reports produced by EVD that touched upon recent experiences from the EBRD's expansion to emerging markets then distilled into a non-exhaustive list of seven lessons. These lessons are applicable at any stage of an MDB's engagement in the SSA region, whether prior to its expansion or while already on the ground.

1. "Boots on the ground" in SSA are essential
2. A large informal economy + a distinctive feature of SSA – requires careful consideration and tailored approaches
3. MDBs' modus operandi in SSA calls for enhanced political economy diagnostics
4. Scarcity of available bankable projects in the private sector is a key feature of the SSA markets and requires more upstream and policy work from MDBs
5. The SSA region calls for a more tailored approach towards operational engagement with a critical role for policy dialogue
6. Complementary and closer collaboration between international financial institutions and other development partners in SSA is needed, especially in policy dialogue
7. Concessional blended finance appears to be a promising tool for MDBs to support private sector development in SSA.

In this brief:

- Context: growing presence of multilateral development banks
- SSA: a diverse region with immense needs, challenges and opportunities
- 7 key lessons from evaluations

CONNECTING THE DOTS
EVIDENCE THAT DRIVES CHANGE

January 2022 | EBRD Evaluation Department

What can we learn from International Financial Institutions' operations in Egypt?

Intrinsic to the Bank's work in the Southern and Eastern Mediterranean (SEMED) region, the European Bank for Reconstruction and Development's (EBRD) portfolio in Egypt is diverse in instrument, broad in theme and deepening in volume. Since EBRD started its engagement in Egypt in 2012, the total portfolio of approved investments has grown considerably from 20 projects in December 2014 to over 100 active projects six years later. Investment has for EUR14 billion, with three quarters in the private sector. Much engagement in collaboration with partner International Financial Institutions' (IFIs) and the International Monetary Fund (IMF) program, has prioritised and supported efforts to increase socioeconomic inclusion, the operation and governance of state-owned enterprises (SOEs), and the green agenda. Certainly these priorities continue, with much still to be done in the areas of economic governance, competitiveness in the private sector, inclusion and resource scarcity.

With this in mind, we ask: what can we learn from evaluation on supporting such work in Egypt?

Independent evaluation in EBRD (EVD) offers operational and strategic insights in this note from over 30 EBRD self and independent evaluations in Egypt, seven independent special studies and two recent evaluations from Independent Development Evaluation at the African Development Bank (ADB) and the World Bank Group (WBG).

From evaluative evidence, four key lessons emerge of IFIs' support to Egypt:

1. Getting the right institutional structures in place is crucial for IFIs' support in Egypt to achieve good results.
2. Promoting a more inclusive economy by supporting women and youth needs to be grounded in country needs, be supported by country expertise, and balance ambition with capability.
3. Accelerating Green Transition requires a pragmatic and sustained approach, leveraging the IFIs' instruments alongside supporting local capacity building.
4. Accelerating Competitiveness by Strengthening Private Sector and Governance requires to think local in terms of capacity and context and concurrently to balance the with ambitions for sector impacts.

IFIs to accelerate green transition, address inclusion gaps and promote competitiveness in Egypt.

A reoccurring finding of EvD's evaluation work within Egypt as well as other MDBs was the prevalence of gender equality gaps and the importance of taking a country-driven approach towards addressing gender-based inequalities. On-the-ground inclusion expertise is also critical to ensure that interventions are targeted towards specific issues and are tailored to the unique local context.

The Connecting the Dots also identified potential routes towards accelerating the green transition, and in particular highlighted the importance of an approach that combines sustained engagement between IFIs and local actors. As well as effectively utilising local expertise, working with local actors is essential for ensuring ongoing government commitment to green agenda objectives.

Info-notes and informal briefings by EvD in 2021

Throughout the year, EvD delivered informal briefings and info-notes to the Board and Management on selected topics. These provide an opportunity for EvD to deliver insights and lessons from evaluation and EvD's experience on topics under active discussion.

January	<ul style="list-style-type: none"> ▮ Results Management across the MDB System (January; Gabriele Fattorelli – informal note and comparative assessment for Board members) ▮ EBRD's Policy Dialogue Work – SEMED Evaluation, Broader EvD Findings & Issues for Board Consideration (January; Joe Eichenberger – informal presentation to the Board)
March	<ul style="list-style-type: none"> ▮ Board Workshop on Knowledge Management (March; Olga Mrinska, Alper Dincer – advance note for Board information and background) ▮ Knowledge Management Update (March; Olga Mrinska, Alper Dincer – informal presentation to the Board) ▮ EvD suggestions for enhanced co-ordination and streamlined processes in Portfolio and TC/PD groups (March; Olga Mrinska – informal note to management)
April	<ul style="list-style-type: none"> ▮ Phase 3 Report on Redesign of Management's Self-Evaluation System (April; Victoria Millis – informal note for Board members) ▮ Phase 3 Report on Self-Evaluation (April; informal presentation to the Board) ▮ Management Self-Assessment of Enhanced Approach to Policy Dialogue (April; Joe Eichenberger, Bob Finlayson – informal presentation to the Board) ▮ Draft Financial Sector Strategy 2021–2025 (April; Shireen El-Wahab – Evaluation Department comments on initial draft)
May	<ul style="list-style-type: none"> ▮ Legal Transition Programme (Olga Mrinska – informal note to the Board)

June	<ul style="list-style-type: none"> ■ Workshop on Affordability and Results in Health – Insights from the evaluation (June; Shireen El-Wahab; Alper Dincer – informal presentation to the Board) ■ Workshop on Turkey PPP Hospitals (June; Rolf Dauskardt, Consultant, Alper Dincer, Shireen El-Wahab – informal presentation to the Board) ■ Internal Audit report on Evaluation Department’s recommendations follow-up (June; Véronique Salze-Lozac’h – EvD comments and action plan)
July	<ul style="list-style-type: none"> ■ EvD Note on Self- and Independent Evaluation Articulation (July; Gabriele Fattorelli comments on management proposals)
August	<ul style="list-style-type: none"> ■ Informal Comments on the draft Theory of Change & Evaluability (August; Gabriele Fattorelli, Natalia Kryg – informal note to the Board) ■ Recent Evaluation Studies (August; Natalia Lakshina – informal overview to the Board)
October	<ul style="list-style-type: none"> ■ EBRD Approach to Accelerating the Digital Transition 2021–2025 (October; Gabriele Fattorelli, Theo Sands – informal note to the Board) ■ EBRD Mobilisation Approach, 2021–2025 (October; Bob Finlayson – informal note to the Board) ■ Background note on the EvD’s IT needs, related to BAAC discussion – SIP Cornerstone 3: IT MYIP Stage 2 (October, Olga Mrinska – informal note to the Board)
November	<ul style="list-style-type: none"> ■ Kirk Report Recommendations – Q3 2021 Update, Audit Committee, 17 November

Annex 3 Overview of EvD Work Programme 2022–2024



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.

In 2022 EvD plans to deliver 14 products (seven of which started in 2021), including knowledge products and info notes. 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).

Stakeholder consultation is a key component towards identifying useful and relevant evaluation topics. EvD consulted widely in the development of this Work Programme with both Board Members and representatives from Management. 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.

EvD will continue to engage with Board and Management to understand their strategic priorities before launching evaluations.

Table: Indicative delivery schedule

	2022	2023	2024
Corporate (2–3 per year)	<ul style="list-style-type: none"> █ Shareholder Special Fund (Q2) █ Evaluability of Green Finance (Q4) 	<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) █ Solidarity Package Rapid Evaluation #2 (Conterfactual Analysis) (Q2) 	<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 / Digitalisation (TBC) █ Tourism Sector
Country (1 per year)	<ul style="list-style-type: none"> █ Review of CSDRs and Country Pilot Evaluation (Q3) 	<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) █ Proposed topics for 2022 may include: green bonds, 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)

TBC: To be confirmed



www.ebrd.com/evaluation

Contacting the Evaluation Department at the EBRD

To find out more about the Independent Evaluation Department, please email EvD@ebrd.com. EvD is always interested in hearing from our partners, audiences, and stakeholders, to understand how to make evaluation more useful and used.

EvD's studies and products are published on the EBRD website and available at www.ebrd.com/what-we-do/evaluation-reports.html

The upcoming 2021 Annual Evaluation Review will provide a comprehensive overview of all of EvD's work in the past calendar year.



European Bank
for Reconstruction and Development

One Exchange Square
London EC2A 2JN
United Kingdom



www.ebrd.com/evaluation