



Islamic Development Bank



Jeddah January 2022

Table of Contents

Contents

| | |
|---|---|
| Acronyms & Abbreviations..... | 3 |
| 1. INTRODUCTION | 1 |
| 2. OBJECTIVES AND COVERAGE OF THE POLICY..... | 1 |
| 3. PURPOSE OF INDEPENDENT EVALUATION..... | 2 |
| 4. GUIDING PRINCIPLES..... | 2 |
| 5. REPORTING AND ORGANIZATIONAL INTERFACE..... | 4 |
| 7. ROLES AND RESPONSIBILITIES..... | 5 |
| 8. EVALUATION STANDARDS AND METHODS..... | 7 |
| 9. DISCLOSURE AND DISSEMINATION | 9 |
| 10. BUSINESS STRATEGY, WORK PROGRAM AND BUDGET..... | 9 |
| 11. VERSION HISTORY..... | 9 |

Acronyms & Abbreviations

| | |
|---------------|--|
| AAA | Accra Agenda for Action |
| AWP | Annual Work Program |
| BED | Board of Executive Directors |
| BTOR | Back-to-Office Report |
| DAC | Development Assistance Committee |
| ECG | Evaluation Cooperation Group |
| GOED | Group Operations Evaluation |
| DepartmentGPS | Good Practice Standards |
| ICIEC | Islamic Corporation for the Insurance of Investment and Export |
| CreditIEF | Independent Evaluation Function |
| IFI | International Financial Institutions |
| IsDB | Islamic Development Bank |
| IsDBi | Islamic Development Bank Institute (formerly IRTI) |
| ITFC | International Trade Finance Corporation |
| M&E | Monitoring and Evaluation |
| MDB | Multilateral Development Bank |
| MfDR | Managing for Development Results |
| ODEC | Operations Development Effectiveness Committee |
| OECD | Organization for Economic Cooperation and Development |
| OED | Operations Evaluation Department |
| OEO | Operations Evaluation Office |
| RBM | Results-Based Management |
| WWF | World Waqf Foundation |

1. INTRODUCTION

1.1. The Islamic Development Bank (IsDB) is mandated by its Articles of Agreement to foster socio-economic development of its member countries and Muslim communities in non-member countries, in accordance with the principles of Shari'ah (Islamic Law). This requires achieving tangible and measurable development results. Accordingly, the strategic objectives of the IsDB have been directed towards improving efficiency and effectiveness in service delivery.

1.2. IsDB has all along been aware of the development effectiveness agenda and has committed itself to implementing key initiatives and principles that emanated from the international development fora, such as the 2005 Paris Declaration on Aid Effectiveness, the 2008 Accra Agenda of Action (AAA), the 2011 Busan High-Level Forum on Aid Effectiveness, and the 2030 Agenda for Sustainable Development, in its core operational activities with a view to achieve maximum impact of its development interventions. The IsDB has also been pursuing the 'Managing for Development Results (MfDR) agenda that aims at ensuring harmonized approaches in measuring results among International Financial Institutions (IFIs) and other development partners.

1.3. The IsDB recognizes the importance of evaluation as a mechanism for measuring development results, drawing lessons, fostering accountability to stakeholders, and learning to improve effectiveness. The need for evaluating the Bank's activities has been stated in Article 16.3 of the Articles of Agreement of the Bank which stipulates: "The Bank shall take necessary measures to ensure that financing made available by it is used strictly for the purposes for which it was provided."

1.4. The evaluation function of the Bank was initiated in 1991 with the establishment of the Operations Evaluation Office (OEO). The first Evaluation Guidelines were approved in 1993 and have been updated and enhanced in 2005 to reflect the changing organizational environment. The Evaluation Guidelines focused primarily on project post-evaluation.

1.5. When the IsDB Group underwent structural reforms in 2009, the OEO was designated as a Group Wide independent function, named the Group Operations Evaluation Department (GOED) that reports directly to the Board of Executive Directors (BED) of the Bank. The GOED mandate and scope of work were expanded to encompass all types of interventions of the IsDB and IsDB Group entities¹. However, following the 2017 Organizational Migration, the mandate of the department was revised to focus only on the Bank and not the entities. The name of the department was accordingly changed from GOED to the Operations Evaluation Department (OED).

2. OBJECTIVES AND COVERAGE OF THE POLICY

2.1. The objective of this Policy is to establish an institutional framework for the IsDB Independent Evaluation Function (IEF) and strengthen the evaluation practice at the Bank. It clarifies the division of roles and responsibilities of the various stakeholders for managing evaluation in the IsDB and takes cognizance of the Bank's corporate governance principles and

¹ The IsDB Group entities are the Islamic Development Bank (IsDB), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for Development of the Private Sector (ICD), the International Islamic Trade Financing Corporation (ITFC), and the Islamic Development Bank Institute (IsDBI).

its strategic framework with a view to supporting evidence-based decision-making, strengthening institutional performance, and enhancing development effectiveness of the Bank's interventions.

2.2. The Evaluation Policy also aims at harmonizing the evaluation practices of the IsDB with the Good Practice Standards (GPS) of the Evaluation Cooperation Group (ECG) of Multilateral Development Banks (MDBs) and with the Evaluation Principles of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). The Policy applies to all the activities and programs falling under the purview of the IEF.

3. PURPOSE OF INDEPENDENT EVALUATION

3.1. The main purpose of independent evaluation is to provide an objective assessment of the results of the IsDB's development interventions and corporate programs for accountability and learning purposes. On the one hand, independent evaluation aims at determining whether the Bank's development interventions and corporate programs achieved their intended outputs, outcomes, and impacts, thus holding the IsDB accountable to its stakeholders in terms of proper allocation and use of resources. On the other hand, independent evaluation draws evidence-based lessons and recommendations that feed into future policies, strategies, and operations, thus contributing to maximizing the impact of IsDB's performance and development effectiveness.

3.2. The IsDB's evaluation framework clearly sets out the role of independent evaluation within the context of increased focus on institutional performance, development effectiveness, results-based management (RBM), enhanced governance and better-informed decision-making. At the same time, a robust self-evaluation system is deemed a necessary condition for having a strong independent evaluation. The reason is that a robust self-evaluation system will ensure maintaining a stronger evidence source throughout the project implementation, which will provide a solid basis for independent evaluation.

4. GUIDING PRINCIPLES

4.1. The following are basic principles guiding the IsDB's evaluation activities, which are in conformity with the GPS and the internationally accepted principles for evaluating development assistance (namely, the ECG's GPS and the DAC's Principles for Evaluation of Development Assistance).

I. INDEPENDENCE

4.2. Independence is crucial for the objectivity and credibility of evaluation results. It is envisioned to enhance performance and foster transparency and accountability. It is imperative that the independent evaluation is not done in isolation. It is participatory in nature and comprehensively engages all beneficiaries and stakeholders. Specifically, the independence of the evaluation function is characterized by four important dimensions which are also intertwined.

A. **Organizational Independence:** Organizational independence is critical in avoiding Management control and interference from business units designing and implementing development interventions. It also ensures full accessibility to required information and the ability to function without constraints. Management provides the IEF full access to information and does not impose restrictions on the scope, content, conclusions, and

recommendations of evaluation reports. The budget proposal of the IEF is presented for consideration and approval of the Board as a separate component of the overall administrative budget of the IsDB and in accordance with the Bank's rules and procedures. The budget of the IEF is ring-fenced. However, in the event of significant changes to the Bank's overall budget during the budget year, IEF's budget may be revised in consultation with the BED.

B. Behavioral Independence: Behavioral independence lends the IEF the authority to prepare its own work program before presenting it for review and approval by the Board through the Operations Development Effectiveness Committee (ODEC). It entails the preparation of evaluation reports and dissemination of findings to the Board and other stakeholders without interference by the Management. To safeguard the behavioral independence of the Independent Evaluation Function, the selection, appointment, and removal of the Director, IEF is made in consultation with the BED. Similarly, the staff of the Independent Evaluation Function are protected from internal and external pressure, intimidation, and retribution.

C. Protection from Outside Influence: The Independent Evaluation Function is objective and effective only when it is protected from outside influence and pressure. Such a situation enables independent evaluation to set priorities, design its processes and products, and administer its human and budget resources without control by the Management. The Independent Evaluation Function plans and undertakes the evaluation activities without the Management interfering in the design and methods of the latter. It is free from any external influence while planning and selecting its evaluation activities.

D. Avoidance of Conflicts of Interest: Conflicts of interest are avoided by ensuring that evaluators do not get directly involved in policy-setting, design, implementation or management of the subject of the evaluation before or during the evaluation. The Director, IEF ensures that no actual or perceived conflict of interest arises in evaluations and/or the composition of evaluation teams and that staff is withdrawn from an evaluation should an unintended or unexpected conflict of interest arise. Evaluators avoid any situations involving conflict or the appearance of a conflict between their personal interests and the performance of their duties.

II. USEFULNESS

4.3. Evaluations are conducted to assess the effectiveness of Bank's development interventions and corporate programs. Evaluation topics are of current importance and relevance. Evaluation findings, lessons, and recommendations are relevant, useful, timely, practical, and realistic for the Bank and its stakeholders. The evaluation process ensures continued awareness raising and learning for all stakeholders on the evaluation findings.

III. CREDIBILITY

4.4. The credibility of evaluations depends on the competence, knowledge, integrity of the evaluators and rigor of their analysis. In addition, the evaluation team is balanced as much as needed in terms of diversity and expertise. To safeguard the credibility of evaluations, the

Independent Evaluation Function conducts evaluations based on relevant and reliable evidence and according to good practices and quality standards².

IV. IMPARTIALITY

4.5. Evaluators refrain from biased opinions and do not yield to external pressure in conducting evaluations. Impartiality in evaluation is observed at all stages, including planning, selecting evaluation team members, and preparing the report. The evaluators always observe the principle of impartiality towards all stakeholders.

V. TRANSPARENCY

4.6. Evaluators are transparent to all stakeholders. They make evidence-based judgments in reporting and analyzing success and failure alike. If stakeholders have differing views, this is made clear and explicit in the evaluation report. Transparency also requires that all approach papers and evaluation reports undergo a thorough quality assurance process, including internal peer review and sharing of drafts with key operational staff prior to their final release. Furthermore, findings and recommendations are disseminated appropriately to all stakeholders concerned utilizing all available channels. Final evaluation reports are disclosed to all stakeholders and to the public in accordance with the Bank's disclosure policy.

VI. PARTNERSHIP

4.7. The Independent Evaluation Function of the Bank is continuously building collaborative partnerships with evaluation functions at other MDBs, development partners, and with key stakeholders in member countries, including government authorities, executing agencies, and project beneficiaries. Such partnerships facilitate learning and knowledge sharing, joint evaluations, and enhance harmonization of evaluation standards, procedures, and practices.

4.8. The Independent Evaluation Function at the Bank collaborates with evaluation institutions in member countries in organizing seminars, symposia, and familiarization visits. Furthermore, it partners with the relevant evaluation networks, notably the ECG, Development Assistance Committee (DAC) Evaluation Network, evaluation associations, and other networks.

5. REPORTING AND ORGANIZATIONAL INTERFACE

5.1. The Independent Evaluation Function reports directly to the BED of the Bank through the ODEC while reporting to the President of IsDB on administrative matters³. In planning and conducting its work, the Independent Evaluation Function coordinates with the different business units of the Bank. The Director, IEF is regularly invited to senior management meetings -as an observer- to provide independent evaluation perspectives.

The Independent Evaluation Function interacts with the IsDB complexes and business units to understand their constraints, opportunities and risks, and relevant policies and processes and obtain access to all needed documents and information sources to facilitate the effective discharge of its duties.

² 2010 Development Assistance Committee - Quality Standards for Development Evaluation.

³ The functional reporting to the Board is vital to achieve the effective independence of evaluation as per the International Good Practice Standards. For this purpose, the IEF annual work plan, budgets and resources are approved by the Board through the ODEC. On the other hand, the administrative reporting to The President aims to facilitate day-to-day operations and includes oversight of routine matters such as items related to human resource administration, expense approvals beyond Director's authority, internal communication and information flow.

6. SELECTION, APPOINTMENT, AND REMOVAL OF THE DIRECTOR, IEF

6.1. The President leads the selection, appointment, and removal of the Director, IED. The selection process is led by a selection panel established by the President. The selection panel is composed of four members chaired by the Vice President responsible for Human Resources and includes one senior international evaluation expert. The selection process follows the regular human resource procedures of the Bank.

6.2. The panel discusses and agrees on the terms of reference for the Director, IED. The Human Resources Management Department (HRMD) of the Bank advertises the position and provides a shortlist of candidates to the panel. After conducting interviews with the support of the Bank's HRMD, the panel proposes the final candidate(s) to the President. The President appoints a candidate after consultation with the BED.

6.3. The Director, IEF is appointed for a five-year non-renewable term. The decision to terminate the contract of the Director, IEF is taken by the President following a consultation with the BED. The staff member whose role as the Director, IEF has been successfully completed should leave the Bank immediately. However, the former Director, IEF may rejoin the Bank as a staff member in another capacity after 2 years cool-off period.

7. ROLES AND RESPONSIBILITIES

A. BOARD OF EXECUTIVE DIRECTORS

7.1. The BED oversees the Independent Evaluation Function through ODEC. The BED approves the mandate of the Independent Evaluation Function that specifies its coverage, functions, and reporting structure and approves policies aimed at enhancing the independence and effectiveness of the evaluation function.

7.2. The following are the main roles of ODEC:

- a. Review and clear the work of the Independent Evaluation Function, including the review of the formulation and execution of its Annual Work Program and its budget, and make recommendations for the BED's consideration.
- b. Review and clear all Macro Evaluation⁴ reports, including the Annual Evaluation Report and independent external assessment reports, as well as management responses to all Evaluation reports.
- c. Monitor and report to the BED the actions taken by Management on the recommendations in the evaluation reports as endorsed by the Committee.
- d. Advise on the selection and removal of the Director, IEF.

⁴ Macro evaluations includes evaluation other than project evaluations covering country assistance, strategies, partnership, policies, corporate evaluations, sector and thematic evaluation, and other evaluations with larger scale.

B. INDEPENDENT EVALUATION FUNCTION

7.3. The mission of the Independent Evaluation Function is to contribute to transforming the IsDB into a knowledge-based organization that learns from experience to enhance its development effectiveness.

7.4. The Independent Evaluation Function supports the IsDB's BED in its oversight roles as follows:

a. Set the strategic objectives and direction for the Operations Evaluation work, formulate annual work program covering macro evaluations, project, and on-demand evaluations as well as Enabling, Learning, and Outreach activities.

b. Plan and undertake an in-depth evaluation of the Bank's development interventions and corporate programs to assess their relevance, efficiency, effectiveness, and sustainability.

c. Identify key lessons and recommendation to improve the performance of the Bank's development interventions and corporate programs by ensuring that these are reflected in the future policies, strategies, and operations of the Bank.

d. Validate the self-evaluation work undertaken by various units of the Bank and ensure complementarities between the self and independent evaluations.

e. Develop and maintain a knowledge management system related to evaluation work to share the lessons, best practices, and recommendations for the use of Bank staff.

f. Develop and update a comprehensive framework and tools for carrying out evaluation work at corporate/intervention levels to enhance the evaluation rigor.

g. Engage in partnerships with the professional evaluation networks, evaluation staff of peer institutions, and the Evaluation Coordination Group to enhance the Bank's evaluation capacity and support the harmonization of the evaluation standards across MDBs.

h. Report to the BED on evaluation results and on the adoption and implementation of the evaluation recommendations.

i. Promote the evaluation culture – both within the IsDB Group and in IsDB member countries – to ensure that evaluation contributes towards improved learning and performance.

j. Contribute to strengthening the capacity of member countries in managing for results and improving their monitoring and evaluation (M&E) systems.

7.5. The main responsibilities of the Director, IEF are as follows:

a. Prepare the Independent Evaluation Function's work program and budget.

b. Supervise and guide the implementation of Independent Evaluation Function's work program and manages the Function's human and financial resources appropriately in line with the Bank's rules and procedures.

c. Lead the selection of Independent Evaluation Function's personnel as per the Bank's human resources guidelines and administrative processes.

d. Ensure compliance with quality standards and guidelines in line with MDBs' ECG-GPS.

- e. Approve all evaluation reports produced by the Independent Evaluation Function.
- f. Report to the Board on the Independent Evaluation Function's work and results.
- g. Coordinate the dissemination of evaluation results and knowledge to all stakeholders concerned through the knowledge management systems and networks.
- h. Partner effectively with internal business units, member countries, and the international evaluation and development community at large to build evaluation capacity and share knowledge.

C. MANAGEMENT

7.6. Management supports the Independent Evaluation Function in the following ways:

- a. Ensure that an effective system of self-evaluation is in place and is harmonized with the independent evaluation.
- b. Ensure that the proposed interventions have clearly specified performance indicators and targets to allow effective evaluation.
- c. Provide access to all internal information deemed relevant by the Independent Evaluation Function.
- d. Facilitate the field activities of the Independent Evaluation Function.
- e. Respond to evaluation findings and ensure that relevant lessons are adequately reflected in the Bank's strategies, policies, and interventions.
- f. Develop a management action plan to ensure that evaluation recommendations are implemented and periodically report on their implementation status.
- g. Invite the Independent Evaluation Function to observe or contribute to the Management meetings, where required, to enhance the understanding of the development and corporate-related issues and inform decision making thereof.

8. EVALUATION STANDARDS AND METHODS

A. EVALUATION PROCESS

8.1. The Independent Evaluation Function develops guidelines to be used for evaluation in the IsDB based on established international best practices, standards and methods, particularly ECG-GPS and OECD-DAC standards. Each guideline sets out the methodology and criteria for assessing and rating the performance of IsDB's development interventions and corporate programs based on the internationally recognized evaluation criteria.

8.2. The Independent Evaluation Function ensures that its evaluation approach and processes are fully transparent and that its findings and conclusions are supported by factual evidence. It uses credible evaluation methods, which includes comprehensive data collection, consistent comparison, and triangulation.

8.3. All development interventions are self-evaluated, and a reasonable proportion of self-evaluation products is reviewed and validated independently. A statistically representative sample is selected for an in-depth independent evaluation.

8.4. Macro evaluations are conducted to assess the relevance and overall effectiveness of the IsDB development programs, which provide findings, lessons, and recommendations to

guide the design of future strategies, programs, and projects, thereby enhancing their development effectiveness.

8.5. All evaluations are preceded by an approach paper delineating the purpose, scope, rationale, and methodology adopted for the evaluation. The approach paper also provides a framework for consultation with stakeholders at various stages during the evaluation.

B. EVALUATION REPORT

8.6. The preliminary findings of the evaluation missions are reflected in the Back-to-Office Report (BTOR), which is submitted to the Management for any follow-up action arising from the evaluated intervention.

8.7. The final report is shared with the Management and the member country's authorities concerned and co-financiers (as applicable) to enable them to take informed decisions and corrective actions as appropriate.

C. MANAGEMENT RESPONSE

8.8. The draft evaluation report is shared with Management in order to verify facts and accuracy and obtain their views and comments. Comments of the Management on the draft evaluation reports are obtained in writing, indicating areas of agreement and disagreement. Management comments are reflected in the final evaluation report.

8.9. Management participates in the Board meetings discussing evaluation reports and responds to the questions raised. The Independent Evaluation Function ensures that the Management's views are taken into consideration in the formulation of the recommendations and follow-up actions.

D. MANAGEMENT ACTION PLAN AND FOLLOW-UP

8.10. Management is required to prepare a Management Action Plan (MAP) for every evaluation report (project level evaluations and macro evaluations) that includes recommendations. The MAP provides a list of actions that Management intends to undertake in order to address the evaluation recommendations.

8.11. Management keeps track of the implementation of evaluation recommendations and provides a quarterly update on the progress made on their implementation. In addition to the progress updates, the Management is required to self-assess the level of adoption of recommendations.

8.12. The Independent Evaluation Function validates the Management's reporting, independently assesses the level of adoption of recommendations and regularly informs the Board about their progress.

E. USING LESSONS

8.13. The Independent Evaluation Function maintains database of lessons. On the other hand, the Management ensures that these lessons and those from self-evaluation are taken into consideration in formulating new policies and strategies and in designing new operations, projects, and programs.

9. DISCLOSURE AND DISSEMINATION

A. INTERNAL DISTRIBUTION

9.1. Evaluation reports and knowledge products are made available to internal users using different channels including intranet for learning and knowledge-sharing.

B. EXTERNAL DISCLOSURE

9.2. The Independent Evaluation Function ensures that the evaluation reports are disclosed to all stakeholders concerned and to the public at large while observing confidentiality safeguards. The dissemination is done through various channels, including online, workshops, seminars, and symposia in accordance with the Bank's information disclosure policy.

10. BUSINESS STRATEGY, WORK PROGRAM AND BUDGET

10.1. The Independent Evaluation Function prepares its Business Strategy aligned with the IsDB's strategic priorities. The Business Strategy specifies the Function's priorities, human resource requirements, and the budgetary resources needed for its implementation. An Annual Work Program (AWP) and corresponding budget are prepared in accordance with the business strategy and submitted to the Board for approval.

11. VERSION HISTORY

11.1. This is the first Independent Evaluation Policy for IsDB, which may be revised in light of experience gained in its application and to reflect the evolving best practices.

11.2. The Policy is effective from the date of approval by the BED.

ANNEX-1: DEFINITION OF KEY TERMS

The Islamic Development Bank uses the definitions adapted from the OECD-DAC⁵

Accountability: Obligation to demonstrate that work has been conducted in compliance with agreed rules and standards or to report fairly and accurately on performance results vis a vis mandated role and/or plan. This may require a careful, even legally defensible, demonstration that the work is consistent with the contract terms.

Country Assistance Evaluation: Evaluation of one or more donor's or agency's portfolio of development interventions, and the assistance strategy behind them, in a partner country.

Development Intervention: An instrument for partner (donor and non-donor) support aimed to promote development.

Effectiveness: The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.

Efficiency: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.

Evaluation: The systematic and objective assessment of an on-going or completed project, program or Policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors.

Independent Evaluation: An evaluation carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention.

Lessons Learned: Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.

Process Evaluation: An evaluation of the internal dynamics of implementing organizations, their policy instruments, their service delivery mechanisms, their management practices, and the linkages among these.

Program Evaluation: Evaluation of a set of interventions, marshaled to attain specific global, regional, country, or sector development objectives.

Project Evaluation: Evaluation of an individual development intervention designed to achieve specific objectives within specified resources and implementation schedules, often within the framework of a broader program.

Recommendations: Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.

⁵ OECD-DAC. (2002). Glossary of Key Terms in Evaluation and Result Based Management.

Relevance: The extent to which the intervention objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.

Results-Based Management (RBM): A management strategy focusing on performance and achievement of outputs, outcomes and impacts.

Sector Evaluation: Evaluation of a cluster of development interventions in a sector within one country or across countries, all of which contribute to the achievement of a specific development goal.

Self-Evaluation: An evaluation by those who are entrusted with the design and delivery of a development intervention.

Sustainability: The extent to which the net benefits of the intervention continue, or are likely to continue.

Thematic Evaluation: Evaluation of a selection of development interventions, all of which address a specific development priority that cuts across countries, regions, and sectors.

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COMPARISON OF EVALUATION POLICIES OF MDBs (ISDB, AFDB, AND ADB)

| | ISDB | | AFDB | ASDB |
|---|--|--|---|---|
| | CURRENT PRACTICE | PROPOSED POLICY | | |
| Availability of Independent Evaluation Function | Yes, Operations Evaluation Department (OED) | Yes, Independent Evaluation Function (IEF) | Yes, Independent Development Evaluation (IDEV) | Yes, Independent Evaluation Department (IED). |
| Availability of Evaluation Policy | No evaluation policy | This is the first evaluation policy for IsDB. | Evaluation policy since 2007. | Evaluation policy since 2003. |
| Location in the Organizational Structure | Reports to the Board of Executive Directors (BED) through ODEC. | Reports to the BED through ODEC. | Reports to BED through the Committee on Operations and Development Effectiveness (CODE). | Reports to BED through Development Effectiveness Committee (DEC). |
| Budget | OED's work program and budget are prepared in consultation with the Bank Management. The proposed work program and budget is reviewed and endorsed by ODEC, who presents it to the BED for approval. Budget is not ringfenced. | Independent Evaluation Function's work program and budget are prepared in consultation with the Bank Management. The proposed work program and budget is reviewed and endorsed by ODEC, who presents it to the BED for approval. The proposed budget of the IEF is presented to the BED separately from the Bank's overall administrative budget. Director, IEF has the authority to reallocate resources across budget items. Budget is ringfenced. | CODE endorses and recommends to the BED for approval, IDEV's work program and the associated budget. The IDEV budget is ring-fenced. However, it is not delinked from budget changes in the institution as a whole. In the event of significant changes to the Bank's overall budget during the budget year, IDEV's budget may be revised by no more than the average proportion for the overall budget of the Bank, unless explicitly authorized by the Board of Directors. The Evaluator General discusses any revisions to the work program resulting from budget changes with CODE. | IED's work program and budget are approved by the BED. DG, IED, in consultation with the DEC and ADB Management, prepares an annual budget proposal that will be subject to review first by the DEC then by the Budget Review Committee. The budget proposal is presented for consideration and approval by the Board separately from AsDB's overall administrative budget. DG, IED has the authority to reallocate resources across budget items. Budget is ringfenced |
| Budget ratio to overall organization | Approx. 1.5% of the IsDB administrative budget. | Approx. 1.5% of the IsDB administrative budget. | Approx. 1.8% over the past 5 years. | IED net internal administrative budget will be around 1.8-1.96% of the equivalent AsDB-wide budget in 2018-2023, assuming 5% annual growth in ADB's budget through 2023. |

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| Staffing | Director: 1 Professional Staff: 12 Support Staff: 4 Total: 17 | To be revised based on the outcomes of the Workload Assessment. | Evaluator General: 1 Division Managers: 3 Chief Quality and Methods Advisor: 1 Chief Evaluation Officers: 3 Principal Evaluation Officers: 9 Principal Knowledge Management Officers: 3 Principal ECD Officer: Senior KM officer: 1 Senior Evaluation Officers: 3 | Director General: Deputy Director General: Division Directors: 2 Advisor: 1 Lead Evaluation Specialists: 1 Principal Evaluation Specialists: 10 Senior Evaluation Specialists: 10 Evaluation Specialists: 5 National Evaluation Officers: 14 Administrative Staff: 16 Total: 61 |
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| | ISDB | | AFDB | ASDB |
|---|--|---|---|--|
| | CURRENT PRACTICE | PROPOSED POLICY | | |
| | | | Evaluation Officers: 6 KM officers: 2 Research Assistant: 1 (+ junior consultants) Evaluation database assistant: 1 Evaluation knowledge assistant: 1 Administrative Support Staff: 5 Total: 42 | |
| Consultants: Proportion of Business Covered | Consultants are utilized for about 25% of the assignments under the OED annual work program. All macro evaluations involve consultants. Due to COVID travel constraints, a surge in the use of local consultants was noted. | Consultants are utilized for about 25% of the assignments under the IEF annual work program. All macro evaluations involve consultants. | 80% of IDEV directly managed budget (i.e. excluding staff costs) is for consultants. | In response to External Review, IED DG issued a memo, in which it said that IED's fixed costs (i.e. staff costs) is around 65% of the total budget. The budget allocation for staff consultants in 2020 is projected at \$2.36 million. Key factors affecting IED's consultant usage related to skill gaps, workload (e.g. new TCR validation, higher than usual number of CPSFRV and new initiatives on knowledge management). |
| Selection and Average Tenure of Head of Evaluation and Other Evaluation Staff | The President, IsDB appoints OED Director for a renewable term of 3 years. The Director OED is selected based on a competitive process through interview by a panel of VPs with the participation of the independent consultants (if needed). The 3-year mandate of the OE Director can be renewed. Other staff are not time limited. They are also eligible for rotations within the IsDB group and can apply for positions in any other department. OED recruits also from other internal departments of IsDB and its entities. | The President leads the selection, appointment, and removal of the Director, IEF. The selection process is led by a selection panel established by the President. The selection panel is composed of four members chaired by the Vice President responsible for Human Resources and includes one senior international evaluation expert. The selection process follows the regular human resource procedures of the Bank. The panel discusses and agrees on the terms | The Board of Directors leads the selection, appointment, and removal for cause, of the Evaluator General. The selection panel is composed of five members: two CODE members, namely the Chairperson (sitting as chair of the selection panel) and Vice-Chairperson; one other Board member; one representative of senior management (the Vice-President responsible for Human Resources) and one international evaluation expert. The chair of the selection panel, with the support of the Vice-President responsible for Human Resources, retains a recruitment firm. The panel discusses and agrees on the | DG, IED is appointed by the Board, upon the recommendation of the DEC in consultation with the President (i.e., seeking the views and opinions of the President). DG, IED has a 5-year non-renewable term. During this period, DG, IED can only be removed by the Board on the grounds of inefficiency or misconduct. Upon completion of the term or after removal, DG, IED is ineligible for any staff position within AsDB. Currently, the average tenure of other staff is about 5 years. (2008 Policy, para 54) IED has had 23 staff movements to and from other ADB department/offices since 2016 (12 staff were transferred to AsDB, while 11 staff joined IED), reflecting a high degree of IED staff mobility. |

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|--|--|--|---|--|
| | | <p>of reference for the Director, IEF. The Human Resources Management Department (HRMD) of the Bank advertises the position and provides a shortlist of candidates to the panel. After conducting interviews with the support of the Bank's HRMD, the panel proposes the final candidate(s) to the President. The President appoints a candidate after consultation with the BED.</p> <p>The Director, IEF is appointed for a five-year non-renewable term. The decision</p> | <p>terms of reference for the Evaluator General as well as the terms of reference for the recruitment firm. The firm provides a shortlist of candidates to the panel, with clear justifications. The panel conducts</p> | |
|--|--|--|---|--|

| | ISDB | | AFDB | ASDB |
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| | CURRENT PRACTICE | PROPOSED POLICY | | |
| | | to terminate the contract of the Director, IEF is taken by the President following a consultation with the BED. The staff member whose role as the Director, IEF has been successfully completed should leave the Bank immediately. However, the former Director, IEF may rejoin the Bank as a staff member in another capacity after 2 years cool-off period. | interviews, with the support of the Bank's Human Resource management function. The panel proposes up to two final candidates; the President has the option to meet with the finalist(s). The selection panel, in consultation with the President, determines the agreed-upon candidate. Together with the chair of the selection panel, the President proposes the agreed candidate to the Board of Directors for confirmation. Following the confirmation, the President makes the announcement of the new appointment. The Evaluator General is a member of Bank staff. The Evaluator General is appointed for a six-year non-renewable term. The decision to terminate the contract of the Evaluator General is taken by the Board of Directors, through CODE, in consultation with the President. Since the Evaluator General is a staff member, only the President can announce the termination of his/her appointment. | |
| Seniority of Head of the Function | Headed by a Director, two levels below Vice President (VP), same as other department Directors. | Headed by a Director, two levels below Vice President (VP), same as other department Directors. | Headed by an Evaluator General at Director General Rank one level higher than Department Directors | Headed by a Director General one level higher than Department Directors |
| Participation of the Head of the Evaluation Function in Internal Senior Management Meetings | The Director, OED participates in meetings of the Operations Management Committee at which comments and suggestions are provided on Project Concept Notes, Project Appraisal Documents and Report on Recommendations to the President (RRP). The Director also participates in the Executive Management Committee Meetings upon invitation. | The Director, IEF participates in meetings of the Operations Management Committee -as an observer- to provide comments and suggestions on Project Concept Notes, Project Appraisal Documents and Report on Recommendations to the President (RRP). The Director, IEF also participates in the Executive Management Committee Meetings upon invitation. | Evaluator General is regularly invited to senior management meetings. | The DG participates selectively (rarely) at Management Review Meetings, chaired by the President or a VP, to examine new lending, policy or strategy proposals before these are completed and finalized for Board submission. IED also provides comments during the project/TA concept stage and processing stage (RRP). |

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| | CURRENT PRACTICE | PROPOSED POLICY | | |
| General Oversight | The BED through the ODEC approves policies aimed at enhancing the independence and effectiveness of the evaluation function. The ODEC also approves the Department's work program and budget and oversees their implementation. | The BED oversees the IEF through ODEC. The BED approves the mandate of the IEF that specifies its coverage, functions, and reporting structure. The Board approves policies aimed at enhancing the independence and effectiveness of the evaluation function. | Board of Directors | Board of Directors: ensures efficient use of resources and achievement of results |
| Responsibility for self-evaluation | Self-Evaluation is undertaken by various units within the operations complex. A strong self-evaluation system will ensure maintaining a stronger evidence source throughout the project implementation, which is a solid basis for post-evaluation. | Self-Evaluation is undertaken by various units within the operations complex. A strong self-evaluation system will ensure maintaining a stronger evidence source throughout the project implementation, which is a solid basis for post-evaluation. | Management | Self-evaluation by the units responsible for particular programs and activities. |
| Report on Management Actions re: evaluation recommendations | The Director OED follows up on implementation of recommended actions from all evaluations by management through Systematic Tracking of Execution of Evaluation Recommendations (STEER) System. | The Director, IEF follows up on implementation of the Management Action Plan (MAP) prepared by operational departments concerned based on the evaluation recommendations through STEER System. | All Management Action Records (part of the Management Response to evaluations) are uploaded into the Management Action Record System (MARS). Management reports to CODE every 6 months on the status of implementation of actions taken in response to evaluation | DG IED will monitor and report periodically to the DEC on actions taken by Management in response to evaluation findings. AsDB also has MARS database, which traces the fulfillment of agreed IED recommendations from high-level reports. |

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| | | | recommendations. IDEV reports to CODE once a year on the level of implementation of recommendations. | |
| Discussion and Clearing of Reports | <p>The project evaluation reports are reviewed by at least three peers in the department and then submitted to the relevant departments for comments. For macro evaluation reports, experts from other departments within the IsDB or from outside are solicited for peer review purpose. After receiving the feedback of peer reviewers, and comments from the departments concerned, the revised reports are submitted to the Director, OED for validation, sign-off, and finalization.</p> <p>OED reports are issued under the signature of the Director and submitted through the President, IsDB Group (who is also the Chairman of IsDB Group) to the Vice Presidents concerned or to the Chief Operation Officer and Chief Product Officer for necessary action.</p> | <p>The project evaluation reports are reviewed by at least three peers in the department and then submitted to the relevant departments for comments. For macro evaluation reports, experts from other departments within the IsDB or from outside are solicited for peer review purpose. After receiving the feedback of peer reviewers, and comments from the departments concerned, the revised reports are submitted to the Director, IEF for validation, sign-off, and finalization. IEF reports are issued under the signature of the Director, IEF and submitted through the President, IsDB (who is also the Chairman of IsDB</p> | <p>=- Internal Peer Review External Peer Review · IDEV management review · Evaluation Reference Group Review Clearance by Evaluator General * - Formal Management Response expected from Performance Management and Results Department in charge of coordinating Management responses for high level evaluations which make recommendations. Evaluation Reports discussed by CODE are all those for which a Management Response has been prepared. Project cluster</p> | <p>Concept Paper. The draft paper (in cases where it is required) is reviewed and endorsed by evaluation division Directors for approval by Director General, IED. Evaluation Approach Paper (EAP). The EAP review process begins with internal and external peer reviews of the draft EAP for higher level evaluations and internal peer review for project level evaluations. Following peer review, a one-stop review meeting (OSM) is held for higher level evaluations. The OSM discusses the scope, approach, methodology and database, and budget of the EAP and incorporates comments and suggestions of discussants. After the OSM meeting, the revised draft EAP is submitted for</p> |

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| | <p>They are also sent to the agencies concerned in the beneficiary country.</p> <p>A summary of the evaluation findings is presented to the Operations & Development Effectiveness Committee of the BED, in the OED Annual Report, for information and guidance.</p> <p>All staff involved in project are consulted during the evaluation process. The evaluations reports prepared by OED are submitted to the operations' departments concerned which are given the opportunity to review the evaluation findings and provide their comments and views. For transparency purpose, comments of the departments concerned are appended to the report in a separate matrix along with the evaluation feedback and amendments made if any.</p> | <p>Group) to the Vice Presidents concerned. They are also sent to the agencies concerned in the beneficiary country.</p> <p>A summary of the evaluation findings is presented to the ODEC of the BED, in the IEF Annual Report, for information and guidance.</p> <p>All staff involved in project are consulted during the evaluation process. The evaluations reports prepared by IEF are submitted to the operations' departments concerned which are given the opportunity to review the evaluation findings and provide their comments and views. For transparency purpose, comments of the departments concerned are appended to the report in a separate matrix along with the evaluation feedback and amendments made if any.</p> | <p>evaluations and evaluation syntheses (and some PCR/XSR validation synthesis reports) tend not to make recommendations (are rather focused on learning), therefore tend not to have an MR, and are distributed to the Board for information.</p> <p>-Informal presentations to CODE and Management on preliminary findings of ongoing evaluations, upon request Capitalization workshop on project cluster evaluations to facilitate evaluation learning and use.</p> | <p>interdepartmental review by relevant departments. It is approved by Director General, IED after incorporating comments received from the various departments.</p> <p>Evaluation Report. Similar to the EAP, the draft report is subject to external and internal peer reviews and an OSM before it is sent for interdepartmental review. Draft report will be revised based on comments received and a comments matrix is prepared. Comments are also requested from concerned government or borrower. If necessary, a DG level meeting (comprising heads of operational departments) is held for select evaluation studies. The draft report is subject to a third-party review by IED staff who will read through it and provide a fresh look for inconsistencies and errors. Prior to Director general, IED approval, the draft report is submitted for editing by the AsDB editing unit.</p> <p>Circulation of Final Evaluation Report. The final report is approved by DG, IED and circulated to the Board and Management (inviting a Management response).</p> <p>Two weeks after the Board circulation on the web; with exception of AER, which is posted after the full Board Discussion.</p> <p>DEC Discussion. Major evaluations (including annual report and all country level reports) are discussed by the DEC. IED's flagship (Annual Evaluation Review is first presented and discussed in the DEC (usually for main Chapter 3 and Chapter 4 on MARS only) and later in a full Board session.</p> |
| Disclosure | OED's evaluation reports have restricted distribution and are not available publicly. Reports are circulated to stakeholders concerned both within the ISDB | The IEF ensures that the evaluation reports are disclosed to all stakeholders concerned and to the public at large | To facilitate transparency, final approach papers, evaluation reports, and other related final | disclosure of evaluation documents falls within AsDB's new Access to Information Policy (Sep 2018) |

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| Group and outside (Government, Board Members, Executive Directors, Executive Agencies). | while observing confidentiality safeguards. The dissemination is done through various channels, including online, workshops, seminars, and symposia in accordance with the Bank's disclosure policy. | documents are disclosed to the public without undue delays. In line with the principle of transparency, IDEV discloses other documentation in accordance with the Bank Group's Disclosure and Access to Information Policy. | ADB routinely produces or requires its borrowers and clients to produce documents which are required to be disclosed throughout the ADB project cycle—Country Partnership Strategy, Preparation, Appraisal/Approval, Implementation, and Evaluation. A new PCP took effect on 1 January 2019 (replacing the 2011 policy). |