

New Development Bank
Independent Evaluation Office Work Programme and Budget for 2023

Owner: Independent Evaluation Office

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Change Log

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Abbreviations

AfDB	African Development Bank
BOD	Board of Directors
CLE	Corporate Level Evaluation
CPE	Country Programme Evaluation
DG	Director General
ESR	Evaluation Synthesis Report
IEO	Independent Evaluation Office
IFAD	International Fund for Agriculture and Development
KPI	Key Performance Indicator
MDB	Multilateral Development Bank
NDB	New Development Bank
PCR	Project Completion Report
PCRV	PCR Validation
PE	Project Evaluation
SE	Sectoral Evaluation
STTC	Short-term and Temporary Consultants
TE	Thematic Evaluation
UN	United Nations
WB	World Bank

IEO Work Programme and Budget 2023

Section I Background and Context

1. NDB established an Independent Evaluation Office (IEO)¹ as part of its organisational structure, in 2022. The Director General (DG)² IEO came on board and assumed responsibility on April 18, 2022. The DG prepared a time-bound road map with specific activities and deliverables, with a focus on outputs to be delivered by the end 2022, which was discussed at the 35th BOD meeting on May 18, 2022 and revised to incorporate the recommendations provided by the BOD. The highest priority was the preparation of the Evaluation Policy, which was approved by the BOD on August 24, 2022. This and other outputs and activities proposed for 2022 are discussed in the following section. The subsequent sections address the IEO Work Programme and Budget for 2023 and indicatively for 2024-2025. This is the first IEO Work Programme and Budget document.

Section II IEO Review and Forecast for 2022

2. Table 1 below lists the activities committed for 2022 as well as the status of each activity. Additionally, two evaluations (for a sovereign operation in India and a non-sovereign operation in Brazil) have been launched; the first has been completed and the report will be presented to the BOD by the end of 2022. All other activities are on track.

Table 1: Status of 2022 Outputs

	Output	Target Date	Status
1	Discussion paper	May 2022	✓
2	Paper on priority Evaluation(s) to be conducted in 2022	June 2022	✓
3	Sensitization plan	June 2022 ³	✓
6	Evaluation Policy	August 2022	✓
7	Implementation guidelines	December 2022	On track
9	Human Resources Plan	December 2022	On track
10	Concept note on evaluation capacity development	December 2022 ⁴	On track
11	Proposal for establishment of high-level Evaluation Advisory Committee	December 2022	On track

3. Guidelines for the implementation of the Evaluation Policy are being drafted and will be finalised by the end of 2022. Steps are underway to establish the high-level

¹ <https://www.ndb.int/about-us/organisation/organisational-structure/>

² Ashwani K. Muthoo

³ With roll-out in the second half of 2022

⁴ With roll-out in 2023

Evaluation Advisory Committee and a proposal made to the Board. With respect to human resources, the recruitment of two professional IEO staff and one administrative assistant has been launched, and selection is expected to be completed in accordance with the timelines established by NDB and competitive selection processes. Finally, with respect to the follow-up on evaluation recommendations, IEO will work with the Management to put in place the practice of a Report on the Implementation of Evaluation Recommendations (RIER), which would record the evaluation recommendations agreed by the Management, be kept updated by the Management and presented by the President annually to the Board. IEO will review the RIER and also present to the BOD its written comments on the report.

4. The staff is expected to be onboarded by the end of 2022 or early 2023. Short-term temporary consultants (STTCs) were engaged to support the preparation of the selected deliverables.
5. Table 2 below shows the utilisation of the revenue expenditure budget allocated for IEO for 2022. No capital expenditure budget was provided or utilised for IEO in 2022.

Table 2: IEO Budget and Budget Utilisation

Expense Categories	Original Budget	Budget after reallocation	Utilisation as of 9/30/2022	Utilisation expected by End-2022	Utilisation as of September 2022 (%)	Utilisation expected by End-2022 (%)
	A	B	C	D	C/B	D/B
Travel	60,000	95,000	37,479	60,000	39%	63%
Professional Consultancy and Services	110,000	260,000	59,510	260,000	23%	100%
Hospitality and Meetings	30,000	45,000	2,144	30,000	5%	67%
Total	200,000	400,000	99,133	350,000	28%	88%

6. As shown in Table 2, IEO has utilised 28% of its budget by September 30, 2022 and expects to utilise 88% by year-end.

Section III IEO Rolling Work Programme for 2023-2025

Work Programme for 2023

7. In line with its mandate, the primary output of IEO will be evaluations with the broad aim of enhancing the overall quality of the Bank's activities, performance, and results. The Work Programme for 2023 includes three Project Evaluations (Pes), in addition to

the completion of the Brazil non-sovereign project evaluation launched in 2022, as well as one Thematic Evaluation (TE) and one Corporate Level Evaluation (CLE). IEO will validate all Project Completion Reports (PCRs) prepared by end-September 2023, and it will also prepare one Evaluation Synthesis Report (ESR). The details of the Work Programme with the main activities and outputs of IEO is discussed below.

8. The choice of Pes was driven by the limited population of all projects completed to date, and the application of selection criteria including potential value for and impact on future NDB operations; priority for NDB Management and stakeholders; relevance to NDB and IEO objectives; and representativeness of NDB programme. Based on these criteria, the projects and the theme proposed to be evaluated virtually selected themselves. As the population of potential evaluations grows, IEO will prepare and apply a more comprehensive ‘Selectivity Framework’⁵ to identify the Pes to be conducted.
9. For Pes, IEO has selected the following three projects in consultation with NDB Management and operational staff:
 - China – Luoyang Metro Project
 - Russia – Sustainable Infrastructure in relation to “ZapSibNefteKhim” Project (SIBUR)
 - South Africa – Greenhouse Gas Emissions Reduction and Energy Sector Development Project (DBSA)
10. IEO has also selected a reserve project, a non-sovereign operation in India, in case for some exceptional reason one of the above Pes cannot be undertaken in 2023:
 - India – REC Renewable Energy Sector Development Project
11. It was felt to be premature to conduct a Country Programme Evaluation (CPE) in 2023. As such, IEO opted to defer it until it has gathered the required evaluative evidence at the project level (through Pes and PCRVs) to inform and facilitate a meaningful CPE. For the TE to be conducted in 2023, IEO will evaluate the results and the Bank’s experience with program lending in response to the COVID-19 pandemic. Such an evaluation is important and particularly timely in light of the global attention focused on crisis prevention, preparedness and response.
12. In light of NDB’s now large and growing portfolio of active projects, it is important to assess and draw lessons related to the Bank’s project supervision practices and implementation-support. For that reason, the CLE for 2023 will focus on project

⁵ A framework for applying selectivity principles to decide on the priority evaluations to be conducted by IEO.

supervision and implementation-support. Moreover, IEO will produce an Evaluation Synthesis Report (ESR) on the decentralisation experience of comparator MDBs to draw lessons for NDB. The ESR will also review NDB’s own initial experience with organisational decentralisation, including through the establishment of its regional offices. The ESR will not focus on the assessment of performance, but rather on the generation of good practices and lessons.

13. The evaluations referenced above are summarised in the top half of Table 3 below.

Table 3: IEO Work Programme 2023

Output	Number	Projects/Topics
Evaluations and Evaluation Synthesis		
Project Evaluations (PE)	3 ⁶	Luoyang Metro (China), SIBUR (Russia), and DBSA (South Africa)
Country Programme Evaluation (CPE)	-	First Evaluation in 2024 or 2025
Sectoral/Thematic Evaluation (SE/TE)	1	COVID-19 Response/Program Lending
Corporate Level Evaluation (CLE)	1	Supervision and Implementation Support
PCR Validation (PCRv)	All PCRs	
Evaluation Synthesis Report (ESR)	1	Lessons from Decentralisation Experience
Other IEO Outputs		
Evaluation Manual/Methodology Development	1	
Evaluation Capacity Development	1	
Evaluation Knowledge System	1	
Partnership-building	N/A	
Evaluation Process Tracking System	1	

14. As shown in the lower half of Table 3, in addition to evaluation outputs, IEO will undertake five initiatives. First, it will prepare an Evaluation Manual and launch thinking on continued development of innovative evaluation methodologies. The manual will serve as a key reference for IEO and NDB staff, as well as external audiences, for undertaking evaluations. Second, IEO will initiate an evaluation capacity development programme focused initially on NDB staff and, at a later stage, among its member countries. Third, IEO will engage in several knowledge and outreach activities, such as the preparation of IEO *Updates*⁷ and further development of the IEO web pages on the NDB website and build an on-line Evaluation Knowledge System. The latter will be used to store and facilitate internal and external access to evaluation lessons and good practices. Fourth, IEO will invest in building partnerships with evaluation offices of other MDBs, United Nations, and bilateral development agencies.

⁶ In addition to the ongoing Brazil BNDES evaluation will be completed in 2023

⁷ These are two-page brochures providing a high level summary of IEO ongoing and planned activities.

It will also engage with evaluation associations and networks at the national, regional and global level⁸. The broad aim of these partnerships is to, *inter-alia*, share knowledge, learn from the experience of others, and identify opportunities for joint evaluations and related activities. Finally, IEO will develop and install an online tracking system to plan and monitor the progress of the evaluations and other important activities undertaken by IEO. The first four initiatives will also be ongoing activities in 2024-2025.

Indicative Work Programme for 2024-2025

15. The proposed indicative evolution of the Work Programme in 2024-2025 is shown in Table 4 below.

Table 4: Indicative Work Programme 2024-2025

Output	2023	Indicative	
		2024	2025
Project Evaluations (PE)	3	4	5
Country Programme Evaluation (CPE)	-	1	1
Sectoral/Thematic Evaluation (SE/TE)	1	1	1
Corporate Level Evaluation (CLE)	1	1	1
PCR Validation (PCRv)	All PCRs	All PCRs	All PCRs
Evaluation Synthesis (ES)	1	1	1
Other Initiatives	5	3-4	3-4

16. In 2024, in addition to four PEs, IEO expects to undertake its first CPE and continue to conduct one such evaluation every year for the foreseeable future. Similarly, it will undertake one SE/TE and one CLE each year. Priority topics for SE/TE include Clean Energy and Transport Infrastructure. Potential topics for future CLEs, to be discussed with BOD members and NDB Senior Management, include the NDB Self-Evaluation System, Financial Architecture and Efficiency.
17. In addition to an increased number of evaluation outputs, IEO will continue the initiatives undertaken in 2023, in 2024-2025. These include its efforts related to Evaluation Capacity Development, the Evaluation Knowledge System and Partnership Building.

Section IV IEO Staffing for 2023-2025

18. In light of the significant buildup of the Work Programme in 2023, IEO proposes to add three professional staff to its current complement. This implies that IEO will have 5

⁸ One example is the "Evaluation Community of India".

professional staff positions in 2023, which is deemed commensurate with the overall level of effort that will need to be invested to conduct the activities listed above and deliver the overall IEO annual work programme in a timely manner. In addition, IEO will seek to bring on board one Short Term Consultant next year. IEO will also explore the use of interns and secondees to provide needed research and analytical support. The use of short-term temporary consultants is discussed further below. Generally, the IEO staffing complement for 2024 and beyond may need to be revisited, in line with the evolution in the size and nature of IEO work programmes for 2024 and beyond. Should any changes be necessary to its staffing, IEO will seek the approval of the BOD as part of its 2024 work programme and budget submission.

19. Looking ahead, tentatively, IEO expects to add another two professional staff and one support staff in the 2024-2025 period. See Table 5 below.

Table 5: IEO Staffing 2023-2025

Staffing Category	End-2022	Additions in 2023	Indicative Additions	
			2024	2025
Professional Staff	2	3	1	1
Support Staff	1	-	-	1
STC		1	1	-

Section V IEO Budget for 2023-2025

20. The IEO Budget for 2023, based on the Work Programme discussed above, is shown in Table 6 below. The table also shows the indicative budget for 2024-2025, which is provisional and may require fine-tuning.
21. The revenue expenditure budget is based on the proposed Work Programme and learns from the experience of the budget utilised for the conduct of evaluations and other outputs in 2022. In preparing the budget, IEO also reviewed the budgets of the evaluation functions of selected comparator organisations. In broad proportional terms and relative to the scope and size of the NDB Work Programme, the IEO budget indicatively proposed for 2022 is well below the budgets of the comparators. The capital expenditure budget for IEO's IT-related expenditures will be part of the IT Department's budget.

Table 6: IEO Budget for 2023 and indicative budget for 2024-2025 (USD)

Expense Category	Budget for 2023	Indicative Budget	
		2024	2025
Revenue Expenditure			
Travel	195,000	235,000	255,000
Professional Consultancy and Services	700,000	885,000	955,000
Hospitality and Meetings	55,000	85,000	95,000
Administrative			
<i>Total Revenue Expenditure Budget</i>	950,000	1,205,000	1,305,000

Section VI Implementation, Monitoring and Reporting

22. The responsibility for monitoring the implementation of the Work Programme and effective and efficient utilisation of the IEO budget will be the responsibility of the DG, IEO. Monitoring would be facilitated by the IT-enabled evaluation tracking system to be developed in 2022. The tracking system will also serve as the basis for regular progress reports. The BOD will have an important overall oversight role and provide guidance to IEO on a rolling basis.

Section VII Financial Management

23. The NBD Evaluation Policy approved by the BOD in August 2022 notes that “IEO is administratively, functionally, structurally and behaviorally independent of NDB’s Management”, “the Director General is responsible for all the functions performed by IEO including the management of personnel and budget under the oversight of the Board of Directors”, the Director General “grant[s] any waiver that may be required to deliver IOE work programme”, and that “the whole evaluation function at NDB follows internationally recognised good standards and practices in line with the practice at other MDBs and UN organizations”.
24. With the support of the Finance, Budget and Accounting (FBA) Department, the Director General IEO has the delegated authority and overall responsibility for IEO’s financial management. In this regard, in line with the above provisions agreed by the Board and following the relevant policies of the NDB, the Director General IEO will be solely responsible to approve reallocations within the IEO budget, travel and any other expenses related to the conduct of IEO’s business, and payments to vendors and others. As per the practice in several MDBs and United Nations organisations with independent evaluation functions, travel-related and official expenses directly incurred by the Director General IEO will be approved by the senior most professional IEO staff reporting to the Director General IEO, with a copy of the approval shared

with the NDB President or any such officer designated by him/her. Lastly, following the approach of the NDB management, IEO will provide updates on the utilization of its budget and general financial management to the BOD on a periodic basis.

Section VIII Results Framework

25. IEO is committed to a sharp focus on results as measured primarily by the quantity and quality of its outputs. To that end, IEO will monitor its performance against a number of Key Performance Indicators (KPIs) shown in Table 7 below.

Table 7: IEO Results Framework – KPIs

Key Performance Indicators	Baseline 2022	Target	Remarks
1. Percentage of evaluation recommendations agreed by Management	n.a.	90%	
2. Percentage of agreed corporate level recommendations implemented satisfactorily	n.a.	90%	
3. Number of evaluation outputs	2	10	To be reached by 2027
4. Proportion of active countries covered through evaluations	2	75%	To be reviewed as number of active countries increases
5. Feedback received from BOD	n.a.	Monitored	
6. Feedback of Evaluation Advisory Committee on evaluation quality	n.a.	Monitored	
7. Number of learning events organised by IEO	2	3	
8. Percentage of non-staff budget utilized	88%	>90%	
9. IEO non-staff budget as proportion of NDB administrative budget	0.8%	<3%	

Annex 1 Selection of Evaluations to be Conducted in 2023

1. The selection of evaluations to be conducted in 2023 is grounded in an analysis of the 18 NDB-funded projects completed to date⁹.
2. As shown in figures 1 and 2 below, COVID-19 program loans account for nearly half of the completed projects by project count, and three quarters by total loan volume.

Figure 1: Number of Completed Projects by Sector

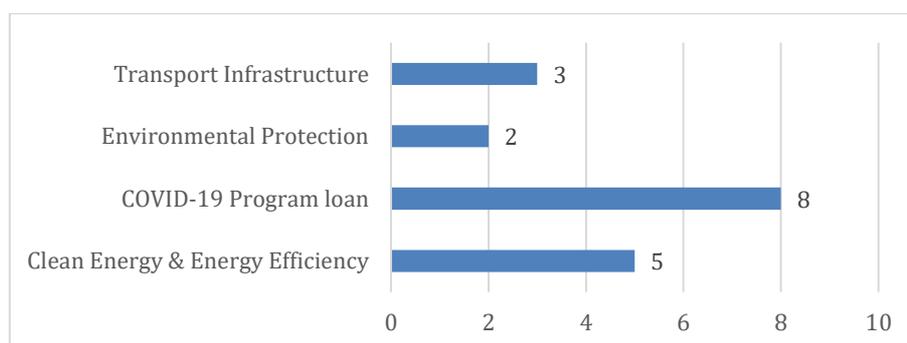
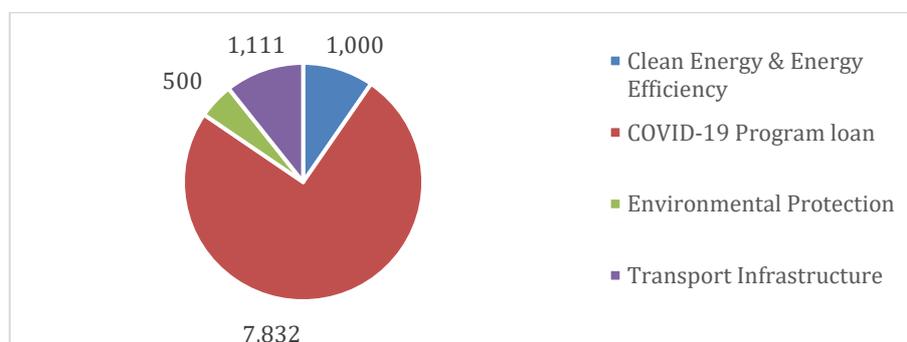


Figure 2: Loan Volume of Completed Projects by Sector (Million USD)

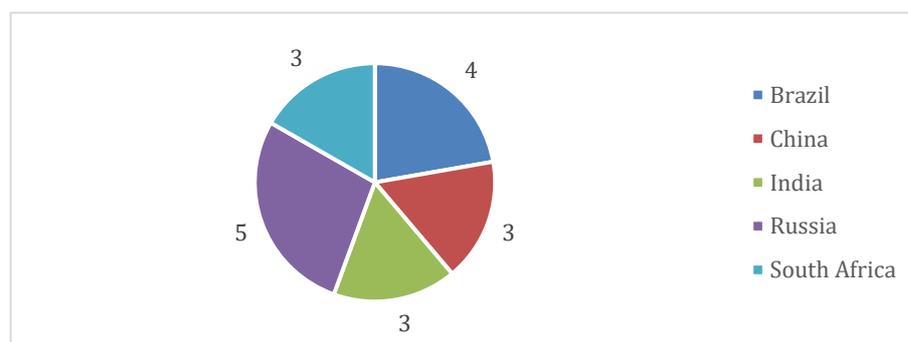


3. Given the above, and in light of the global attention focused on crisis prevention, preparedness and response, the Sectoral/Thematic Evaluation (SE/TE) will evaluate NDB's response to COVID-19 through the 8 fully disbursed COVID-19 program loans.
4. Project Evaluations (PEs) have already been launched in India and Brazil in 2022. To ensure coverage in all member nations IEO has decided to select projects from China, Russia, and South Africa.
5. This leaves 5 completed projects to consider for PE. There is one option in China and South Africa. For Russia, there are three non-sovereign operations (NSOs) to choose from, only one of which (SIBUR) is in a sector yet to have an evaluation.

⁹ A list of completed projects can be found in Appendix 1

6. With the above in mind, the three projects selected for evaluation in 2023 are Luoyang Metro, Sustainable Infrastructure in relation to “ZapSibNefteKhim” Project (SIBUR), and Greenhouse Gas Emissions Reduction and Energy Sector Development Project (DBSA). Due to the uncertainty surrounding global travel, IEO has also selected a reserve project, an NSO in India in the Clean Energy and Energy Efficiency sector, REC Renewable Energy.
7. Corporate Level Evaluation (CLE) will evaluate NDB project supervision and implementation support practices including, inter alia, procurement, financial management (including audit), and reporting requirements. This will support the Bank strengthen supervision and implementation for better and sustainable outcomes at completion.
8. While Country Programme Evaluations (CPEs) will be a key output in the future, IEO will defer the first such evaluation to 2024, until it has gathered additional evaluative evidence at the project level (through PEs and PCRVs), to inform a meaningful CPE.

Figure 3: Number of Completed Projects by Country



9. As NDB operations and staffing expand, it will inevitably face decisions with respect to the nature, scope, and level of its own organisational decentralisation. In order to inform such decisions, in addition to the evaluations referenced above, IEO will conduct an Evaluation Synthesis (ES). This will review the experiences of several multilateral organisations including ADB, AfDB, IFAD, and WB and synthesize the lessons learnt. In this context, IEO shall also look at NDB’s own early decentralisation experience with the setting up of its regional offices. This will not focus on performance assessment of the Bank’s regional offices, but rather aim to draw lessons and good practices from peer organisations that may be of relevance to the NDB’s own decentralisation efforts.

Appendix 1 List of Fully Disbursed Projects

The table below contains a list of the 18 fully disbursed projects as well as, in the lower part, the 4 projects which are at least 90% disbursed and likely to be completed in 2022-early 2023. This list provided the basis for deciding on the evaluations to be carried out in 2023.

Country	Project Name	Sector	Guarantor	Approval Date	Final Disbursement	Closing Date	Currency	Approved (USD million)	Total Project Cost (USD million)	Disbursed (USD million)	Disbursed Ratio
Brazil	BNDES	Clean Energy & Energy Efficiency	Non-Sov	13-Apr-16	11-Oct-18	26-Apr-20	USD	300.00	600.00	300.00	100
Brazil	Emergency Assistance Program in Combating COVID-19	COVID-19 Emergency Program Loan	Sov	20-Jul-20	05-Feb-21	31-May-21	USD	1,000.00	NA	1,000.00	100
Brazil	Petrobras	Environmental Protection	Non-Sov	28-May-18	17-Apr-20	27-Aug-30	USD	200.00	340.00	200.00	100
Brazil	North Region Transportation Infrastructure Improve	Transport Infrastructure	Non-Sov	12-Nov-19	12-Jan-21	09-Oct-23	USD	300.00	361.00	299.14	100
China	NDB Emergency Assistance Program in Combating COVI	COVID-19 Emergency Program Loan	Sov	19-Mar-20	17-Apr-20	31-Dec-20	CNY	986.58	NA	986.58	100
China	China Emergency Loan Economic	COVID-19 Emergency Program Loan	Sov	26-Feb-21	27-Aug-21	18-Sep-22	CNY	986.58	986.58	986.58	100

	Recovery from COVID-										
China	Luoyang Metro	Transport Infrastructure	Sov	20-Jul-18	16-Aug-22	15-Aug-22	USD	300.00	2,775.00	300.00	100
India	REC Renewable Energy	Clean Energy & Energy Efficiency	Non-Sov	14-Oct-19	02-Jun-20	02-Jun-22	USD	300.00	426.83	300.00	100
India	Emergency Assistance Program in Combating COVID-19	COVID-19 Emergency Program Loan	Sov	30-Apr-20	11-May-20	31-Mar-21	USD	1,000.00	1,000.00	1,000.00	100
India	COVID-19 Emergency Program Loan for Supporting Ind	COVID-19 Emergency Program Loan	Sov	11-Dec-20	07-Jan-21	16-May-22	USD	1,000.00	1,000.00	1,000.00	100
Russia	Nord Hydro	Clean Energy & Energy Efficiency	Non-Sov	16-Jul-16	09-Apr-20	NA	USD	50.00	NA	50.00	100
Russia	Nord Hydro*	Clean Energy & Energy Efficiency	Non-Sov	16-Jul-16	23-Mar-20	NA	USD	50.00	NA	50.00	100
Russia	Russian Emergency loan	COVID-19 Emergency Program Loan	Sov	25-Mar-21	21-Dec-21	31-Dec-21	EUR	858.73	NA	858.73	100
Russia	SIBUR	Environmental Protection	Non-Sov	18-Sep-18	17-Apr-20	21-Dec-20	USD	300.00	9,424.00	300.00	100
Russia	Russian Railways	Transport Infrastructure	Non-Sov	16-Dec-19	23-Jan-20	31-May-21	CHF	512.09	7,500.00	512.09	100

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	Locomotive Fleet Renewal										
South Africa	DBSA	Clean Energy & Energy Efficiency	Non-Sov	20-Jul-18	22-Jun-20	15-Feb-22	USD	300.00	600.00	300.00	100
South Africa	COVID-19 Emergency Program Loan	COVID-19 Emergency Program Loan	Sov	19-Jun-20	20-Jul-20	31-Mar-21	USD	1,000.00	NA	1,000.00	100
South Africa	COVID-19 Emergency Program Loan for Supporting Sou	COVID-19 Emergency Program Loan	Sov	02-Apr-21	17-Jun-21	08-Jun-22	USD	1,000.00	NA	1,000.00	100
Projects Likely to be Completed in 2022 – Early 2023											
Brazil	Pará	Multiple Areas	Sov	05-Mar-18	NA	11-Mar-23	USD	50.00	125.00	44.93	90
China	Putian Pinghai	Clean Energy & Energy Efficiency	Sov	22-Nov-16	NA	03-Sep-21	CNY	281.88	699.06	277.51	98
China	Lingang (China)	Clean Energy & Energy Efficiency	Sov	13-Apr-16	NA	21-Dec-20	CNY	34.23	46.30	31.37	92
India	MP Roads	Transport Infrastructure	Sov	22-Nov-16	NA	31-Mar-22	USD	350.00	500.00	327.73	94