

Concept note on Evaluation Capacity Development

Owner: Independent Evaluation Office

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ABBREVIATIONS

BOD	Board of Directors
ECD	Evaluation capacity development
IEO	Independent Evaluation Office
MDB	Multilateral Development Bank
NDB	New Development Bank

I. Background

1. At its 35th session, the New Development Bank (NDB) Board of Directors (BOD) considered a discussion paper on the “Key Priorities for Setting up the Independent Evaluation Office (IEO)”. The above-mentioned discussion paper outlined five main priorities for IEO till year-end of 2022 with specific deadlines. These included the: (i) preparation of the Bank’s Evaluation Policy; (ii) launching of two independent evaluations of NDB-financed projects in Brazil and India, respectively; (iii) recruitment of IEO human resources; (iv) introduction of a sensitization plan and evaluation capacity development (ECD); and (v) establishment of an internal high-level evaluation advisory committee. The BOD provided valuable feedback and broadly endorsed these key priorities.
2. The focus of this paper is to set out the target audience, overall objectives, activities, partnerships, timelines, resource implications, and related items with regard to the promotion of ECD.

II. Why is evaluation capacity development important?

3. As an important multilateral development bank (MDB) which has already - in seven years since the beginning of its operations - provided more than US\$ 30 billion in funding, it is critical for the NDB to be able to demonstrate value for money and its commitment to accountability and continuous improvement and learning. Conducting rigorous and timely evaluations¹ is a key component to satisfy this imperative. However, as evaluation is an integral part of the policy/strategy/project life cycle, conducting evaluation is not only a prerogative of IEO. Other concerned departments in the Bank have the responsibility, through self-evaluations, to undertake monitoring and assessments for improving implementation performance and learning. At the same time, the Bank also has a responsibility to support the strengthening of country systems and capacities in evaluation, so that individuals and institutions are properly equipped to perform similar functions themselves. Hence, NDB’s ECD programme focuses both on its own preparedness as well as support countries in their efforts in monitoring and evaluation.

III. Target audience

4. The main target audience of this ECD programme will be NDB staff both in headquarter and regional offices. While no staff will be excluded, priority will be given to staff that work on strategic, risk, operational and project portfolio-related matters. Within that, staff in

¹ In addition to independent evaluations by IEO, this includes self-evaluations, for instance, mid-term reviews, country partnership plan and project completion report preparation, project supervision by NDB Management, as well as preparation of periodic project progress reports by project implementation staff and other self-evaluations.

operations departments will be prioritized, given such staff are expected to conduct the bulk of NDB's self-evaluations.

5. In parallel, but taking a more gradual approach, relevant partner institutions and individuals in NDB member countries will also be targeted, such as relevant staff in executing agencies, project implementation units, Ministries of Finance, National Development Banks, and others. Members of the BOD and their advisers may also take part in any of the initiatives under the ECD programme.

IV. Objectives

6. The overarching objective of this ECD programme is *to improve the Bank's and member countries' capacities to assess and document results and generate lessons for enhancing the quality and development effectiveness of Bank-related activities in member countries*. This overarching objective will be achieved by a set of secondary objectives:
 - (i) Strengthen the skills, knowledge and overall capacity of targeted audiences in designing and conducting evaluation-related activities;
 - (ii) Promote evidence-based policy, strategy and project/programme designs in the NDB;
 - (iii) Expand the use of evaluation as an instrument for improving performance;
 - (iv) Enhance overall accountability and learning; and
 - (v) Foster an evaluation and results management culture among the targeted audience.

V. Priority activities

7. **Item 1. Preparation of an evaluation manual.** A key activity will be to develop a comprehensive evaluation manual, as a reference for IEO and the NDB at large in designing and undertaking *ex-post* evaluations of policies, strategies, projects, instruments and processes². The preparation of such a manual is enshrined in the NDB Evaluation Policy and features as a key activity in the IEO 2023 work programme, as approved by the BOD. As such, the manual will outline the evaluation methodologies and processes that will be applied, taking carefully into account the NDB's specific context and priorities. It will build on the good practice standards adopted by the Evaluation Cooperation Group of the MDBs, while ensuring customization to NDB strategy and priorities, such as the use of country systems. The manual will also serve as a basis for training of target audiences and will be aligned with the main provisions of the NDB Evaluation Policy. Finally, led by IEO, the

² The key principals in the manual could also be applied to real-time evaluations and evaluations of ongoing activities.

preparation of the manual³ will be a cross-institutional effort and draw on internal staff resources across the Bank - in particular colleagues in the Operations and Strategy/Risk Departments. Members of IEO's high level Evaluation Advisory Committee will be mobilized to provide guidance at selected stages of the process.

8. The evaluation manual will ensure harmonization of independent and self-evaluation activities by outlining, *inter-alia*, the methodological principles that will be applied to all types of independent and self-evaluations done by the Bank, and the key roles and responsibilities, respectively, of IEO and NDB Management. The manual will also summarize the role of Management in independent evaluations by IEO, and vice-versa, of IEO in self-evaluations conducted by Management. The draft manual will be shared with the BOD for comments, before its finalization.
9. **Item 2. Training.** IEO will develop a training package with modules on a variety of evaluation topics (e.g., design of evaluations frameworks, methods for data collection, interpretation of data by evaluation criteria, etc.). The training will initially focus on broad principles of evaluation, although more customized modules may also be developed for specific (technical) audiences in due course. Before developing the training package, IEO will conduct a needs assessment of both NDB staff and representatives in member countries to collect information on modules that should be prioritized.
10. The training will be imparted by IEO experts at NDB headquarters on a periodic basis in person⁴, and will also in due time be made available on-line. Based on the training modules and in consultation with relevant authorities, Evaluation Capacity Development workshops will be organized in NDB member countries to train project implementation staff, and other in-country individuals and institutions associated with NDB operations.
11. **Item 3. Participation in IEO field visits and workshops.** Without compromising the independence of IEO's work, NDB staff will be selectively invited to participate in the field work and/or final stakeholders' workshops organized by IEO as part of its project and other evaluations. The participation of staff in IEO field visits will be oriented by specific terms of reference, which will include a clearly defined output to be produced. Interested BOD members may also take part in selected IEO field visits and/or stakeholder workshops.
12. **Item 4. Exchange visits.** The ECD initiative will include opportunities for short exchange visits of NDB staff to the evaluation offices of other MDBs/international financial institutions, as well as invitations to relevant individuals to the Bank. The purpose of such

³ A separate concept note/approach paper will be developed that would outline the approach and process for the preparation of the manual, as well as clarify roles and responsibilities.

⁴ Including virtual participation to facilitate attendance of colleagues in regional offices

exchange visits is to learn from the evaluation good practices and experience of others, as well as to strengthen NDB visibility among key partner organizations. NDB staff visits to other organizations may include participation in evaluation-related conferences, workshops or other relevant events, as well as bilateral consultations on specific topics. Staff from other organizations may be invited to deliver lectures, seminars, and workshops to NDB staff on key evaluation topics.

13. **Item 5. Development of a repository of evaluation events.** IEO will develop and periodically share a repository of short (on-line and in person) training courses, conferences, workshops and related events on evaluation themes of relevance to the work of NDB. The aim of such a repository is to allow NDB staff to be aware of such opportunities and participate in any event, in line with their roles and responsibilities.
14. **Item 6. IEO lectures series.** In 2022, as part of its evaluation sensitization plan, IEO introduced a *Lecture Series*, with the aim of strengthening an evaluation, quality and results culture in NDB as well as to offer a forum for exchanging ideas on critical topics of relevance to the Bank. Two or three such lectures are foreseen in one calendar year. Such lectures will complement the training modules and include elements of evaluation capacity development. In addition to NDB staff, Directors, Alternate Directors and advisers of the BOD will be regularly invited to such events.
15. **Item 7. NDB internal working group on evaluation.** An internal working group will be established to discuss and coordinate independent and self-evaluation priorities and activities. The working group will be co-chaired by the Director Generals of IEO and the Project Portfolio Management Department, and will include representatives from the Front Office of the President, the Strategy, Policy and Partnership Department, Public and Private Sector Departments, the Regional Offices, and Research Department. Representatives of other departments may be invited to selected meetings on a case-by-case basis. IEO will perform the Secretariat functions of the working group (e.g., convening of meetings, circulation of agenda and documentation, etc.).

VI. Partnerships

16. A number of partnerships will be explored as part of the ECD initiative. The purpose of the partnerships is to conduct joint activities that may also benefit from cost-sharing arrangements. Examples will be partnerships with other entities involved in capacity development, such as the Evaluation Cooperation Group⁵ of the MDBs and the Global

⁵ Includes the Asian Development Bank, African Development Bank, Central American Bank for Economic Integration, Black Sea Trade and Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Fund for Agricultural Development, International Monetary Fund, and World Bank.

Evaluation Initiative. Partnerships with relevant institutions responsible for evaluation in NDB member countries will also be pursued, for example, with the Institute for Applied Economic Research in Brazil, the Asia and Pacific Finance and Development Institute in Shanghai, Niti Aayog⁶ in India, and similar organizations in other member countries.

VII. Implementation modalities, timelines and resources

17. IEO will carry overall responsibility for the implementation of the ECD initiative. However, it will ensure close cooperation and coordination with several departments across the Bank and the Ministries of Finance in member countries.
18. Items 3 and 6 above have already been initiated in 2022 and will be conducted on a recurrent basis. Items 4, 5 and 7 will be launched in 2023 and will be pursued on a continuous basis. Given items 1-2 are very tightly related, they will be pursued sequentially. Item 1 will be given priority in 2023, as it is required as a basis to proceed with the implementation of item 2⁷.
19. The majority of the cost of the ECD initiative relates to NDB and IEO staff time. This cost will be borne by the concerned department/IEO. The cost of short-term consultants, where required, will be covered by IEO from its non-staff administrative budget. Field travel of NDB staff will be covered under a cost sharing arrangement (50-50) between IEO and the releasing department to facilitate NDB staff participation.

VIII. Progress reporting

20. IEO will introduce an internal monitoring mechanism to oversee the timely implementation of these activities. A progress report of activities will be provided by IEO to the Budget and Human Resources Committee and BOD as part of its annual work programme and budget document.

⁶ Development Monitoring and Evaluation Office.

⁷ These timelines may be reconsidered depending on evolving priorities, as agreed jointly by IEO and NDB Management.