
EvD Work Programme and Budget 2023-2025



European Bank
for Reconstruction and Development

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EBRD EVALUATION DEPARTMENT



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Executive Summary

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

(ii) **EvD's Work Programme for 2023-2025 was 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:

- **The ongoing crises as a result of the war on Ukraine and the continuing recovery from the COVID-19 pandemic** - In addition to EvD's specific evaluations in response to the War, such as the real-time evaluation of the EBRD's support to Ukraine under the Resilience Package, the impact of war is a critical cross-cutting theme across all EvD's work.
- **Macro-economic trends, such as rising interest rates, supply chain disruption, and high levels of economic uncertainty** - These factors affect the Bank's clients, and how the Bank operates and conducts effective engagement with clients. It also affects the selection of relevant and useful evaluation topics.
- **The EBRD's corporate strategic priorities**, including commitments made under the 2021-2025 Strategic and Capital Framework (SCF), the Strategic Implementation Plan (SIP) 2023-2025, and the decision-making process for the next SCF period. These constitute the framework according to which independent evaluation develops its Work Programme.

(iii) **To understand how to make evaluation topics relevant, useful, and timely, EvD has engaged in an extensive consultation process with stakeholders.** Their input on which topics are most useful to support decision-making, and when evaluations would be both feasible and timely, has been a critical component in developing this Work Programme.

(iv) **The delivery of EvD's Work Programme for 2023-2025 is part of the implementation of the departmental Strategic Plan approved by the Audit Committee in June 2022.** Key priorities in this period include an increased emphasis on Evaluation Knowledge Management (outreach, communication, and strengthening a culture of evaluation within EBRD) and launching new products including country evaluations and real-time evaluations. Going forward, EvD intends to enhance its dissemination of evaluation findings, reaching out more systematically to Countries of Operation and build up its support to evaluation capacity development.

(v) **The proposed EvD Work Programme balances short-term, crisis-related evaluation work with long-term corporate strategic priorities.** EvD is responsive to immediate and high-priority topics on the agenda, such as the War on Ukraine, but is also cognisant of keeping track of the institution's longer-term critical objectives.

(vi) **EvD's Work Programme is centred around 5 wider institutional priorities:**

- Crisis response
- Green transition
- Equality of opportunity

- Digitalisation
- Learning and results management

(vii) **This document sets out proposed evaluation topics and provides brief descriptions for each. However, EvD retains some flexibility** (i) when selecting project evaluations so that they create synergies with high level evaluations or to highlight a specific project that requires attention and (ii) when delivering knowledge products (including the *Connecting the Dots* series) and info-notes to respond to needs identified on an on-going basis. When feasible, EvD also remains open to requests for support from the Board in addition to the approved Work Programme. This helps ensure that EvD provides responsive, useful and timely support.

(viii) **This proposed Work Programme therefore sets out EvD's proposal to deliver 14 evaluations in 2023**, including those launched in 2022 and in their final stage:

- 1 corporate: EBRD approach to Transition Impact measurement
- 3 thematic: Performance and results of policy dialogue; Support to gender; Real-time Evaluation of the EBRD support to Ukraine
- 3 sectoral: VCIP; Green Cities; Agribusiness
- 1 country: Uzbekistan Country Evaluation
- 3 cluster: MREL Transition Impact & Additionality; Decarbonisation of the built environment; Green Bonds
- 3 project-level: projects in Inclusion (bundled with support to gender evaluation), Wind, and Digitalisation

EvD will in addition deliver validations, knowledge products, info-notes, and the Annual Evaluation Review. Accompanying delivery of this Work Programme, EvD is also prioritising the strategic topics mentioned before, namely Evaluation Knowledge Management and Evaluation Capacity Development.

(ix) **Alongside the delivery of the EvD Work Programme, EvD will continue to focus on strengthening the enabling environment for evaluation.** EvD is currently working with Management on updating the Evaluation Policy and supporting the redesign of the self-evaluation system, following a central recommendation of the Kirk Report. EvD provides guidance on best practice in self-evaluation systems, and through doing so will contribute to promoting a more effective evaluation architecture in the Bank. In addition, EvD will work closely with the EBRD Transformation Office, Data Management and IT teams, as well as the revamped Data Management Committee, to provide inputs on the data management system of the Bank.

(x) **Subject to Board approval, the proposed budget for the delivery of this Work Programme keeps staff costs flat, whilst incorporating a small increase in non-staff costs to return to pre-pandemic levels.** The enhancement of EvD's strategic capabilities in relation to EKM and ECD, and the increase in headcount of one role, is financed through efficiency gains made by reallocating staff resources, at no additional cost.

(xi) **EvD has engaged closely with the budget team in preparing this indicative budget for approval by the Board, which aims to reflect the challenging economic environment that the Bank is operating in alongside EvD's commitments to supporting the Bank in achieving its SCF priorities.** To deliver, EvD is requesting a total budget of £3.524mn, a 2.9% increase on last year's budget request. The increase is driven by the consultancy budget, which was subject to a temporary efficiency reduction in 2022, with the agreement that this would be re-assessed considering business need and EvD's evolving operating model. EvD's proposed budget for 2023 returns the consultancy budget to its figure in 2021.

(xii) **EvD will prioritise efficiency in carefully allocating expenditure to where it is most effective.** Through doing EvD continues to deliver upon its Work Programme commitments whilst expanding the

department's Evaluation Knowledge Management capacity and developing a pilot set of activities for evaluation capacity development. Both functions are critical for developing a culture of evaluation supporting progress towards the SCF priority of strengthening results frameworks, knowledge management, and the use of evaluation findings in the design and impact of operations.

Introduction

1. **This document sets out EvD's proposed Work Programme for 2023-25 and Budget for 2023.** While the delivery for 2023 has limited flexibility once presented to the Audit Committee, the proposed topics for the following years are more indicative and will be reviewed in future Work Programme discussions.

2. This document includes the budget request for 2023. **EvD's budget request balances the EBRD-wide efficiency process with the demands of this Work Programme and the departmental priorities set out in the EvD Strategic Plan.**

3. In particular, the budget sets out EvD's plans to carefully manage resources to develop EvD's Evaluation Knowledge Management (EKM), which includes outreach and communication, and to start enhancing Evaluation Capacity Development (ECD), including to accompany the reorganisation of self-evaluation. These components are both core parts of EvD's Strategic Plan that was approved by the Audit Committee in June 2022.

1 The underlying context and rationale for EvD's Work Programme

4. **The Work Programme sets out the proposed topics which EvD will cover through evaluations in 2023-2025.** The Work Programme is neither a static document nor developed in isolation. The Work Programme is developed independently by EvD, after consultation with key stakeholders. It adapts to changing contexts, is supportive to wider EBRD strategies, and is complementary to other parts of EvD's institutional architecture, most notably the EvD Strategic Plan. Accordingly, the EvD 2023-25 Work Programme adapts to the Russian war on Ukraine and other on-going crises, while remaining aligned with the EBRD's long-term strategic priorities.

1.1 Responding to on-going crisis while remaining supportive of the EBRD Strategic Implementation Plan 2023-2025

5. **The Russian War on Ukraine has had severe consequences both for Ukraine and for the surrounding regions in which the Bank works.** In response to this catastrophe, the EBRD has reacted swiftly in launching a Resilience Package, in coordination with donors and international partners, to continue supporting Ukraine and other affected countries during this crisis.

6. **The war has necessitated changes to EvD's Work Programme.** Responding to requests from Board Members, EvD has launched a real-time evaluation of the implementation of the Bank's Resilience Package in Ukraine.

Box 1: Real-Time Evaluation of the EBRD support to Ukraine

EvD has launched a real-time evaluation of the Bank's support to Ukraine under the Resilience Package

- This is a learning-focused exercise which aims to provide initial insights to Management and Board on what is working well, and what needs attention, in the Bank's response to support Ukraine, and why.
- The initial focus is on the relevance of the Bank's response, the efficiency of internal processes supporting delivery, and the degree of coherence and coordination with other international partners.

7. **In addition, the war has necessitated changes to how EvD works.** The impact of the war is a critical cross-cutting theme and EvD is recalibrating its focus throughout other evaluations to ensure that major issues raised by the war, such as food security or energy security, are taken into account in forward looking recommendations.

Box 2: Accompanying the Bank in responding to the crisis

In the EvD evaluation of the Agribusiness sector, started at the outset of the War in spring 2022, it quickly became clear that the war would change the dynamics of markets in which the EBRD's clients were operating, and would shift EBRD's own institutional priorities given the sudden and increased emphasis on food security.

Responding to these changes, EvD has examined what initiatives other IFIs have launched with respect to food security, and how the Bank's activities were complementary to those efforts.

8. **More broadly, EBRD's clients face a worsening economic outlook and increased market uncertainty.** In part as a consequence of the war, the macro-environment is characterised by inflationary pressure, high interest rates, and disrupted supply chains.

9. **This context further influenced the selection of topics and subsequently EvD's work.** In a period of rising interest rates, commercial mobilisation, the use of blended finance and the Bank's additionality become increasingly critical. How the EBRD operates and supports its clients as they face disrupted supply chains is a key cross-cutting question as well. This context also translates into an increased institutional emphasis on efficiency and cost control, which has influenced how EvD has prepared its budget proposal as explained in Section 3 of the document.

10. **The EBRD is now at the mid-way point of the Strategic Capital Framework (SCF) 2021-25.** The current Strategic Implementation Plan (SIP) 2023-2025 will provide a concrete roadmap to the end of the SCF period. In this timespan, the Bank will balance delivery upon its longer-term priorities, such as becoming a green MDB, or the digital partner of choice in the countries where it works, with short-term pressures raised by the war on Ukraine and the uncertain economic environment.

11. **For EvD, the current timeframe of the SCF and the decision-making process for the next SCF will become a key input into the prioritisation of different evaluation topics.** As part of EvD's vision to be useful and used, EvD aims to be able to deliver a wide range of relevant evaluation products which can provide policymakers in the Bank with the platform to make evidence-based decisions on what the EBRD should aim to achieve during the next SCF period.

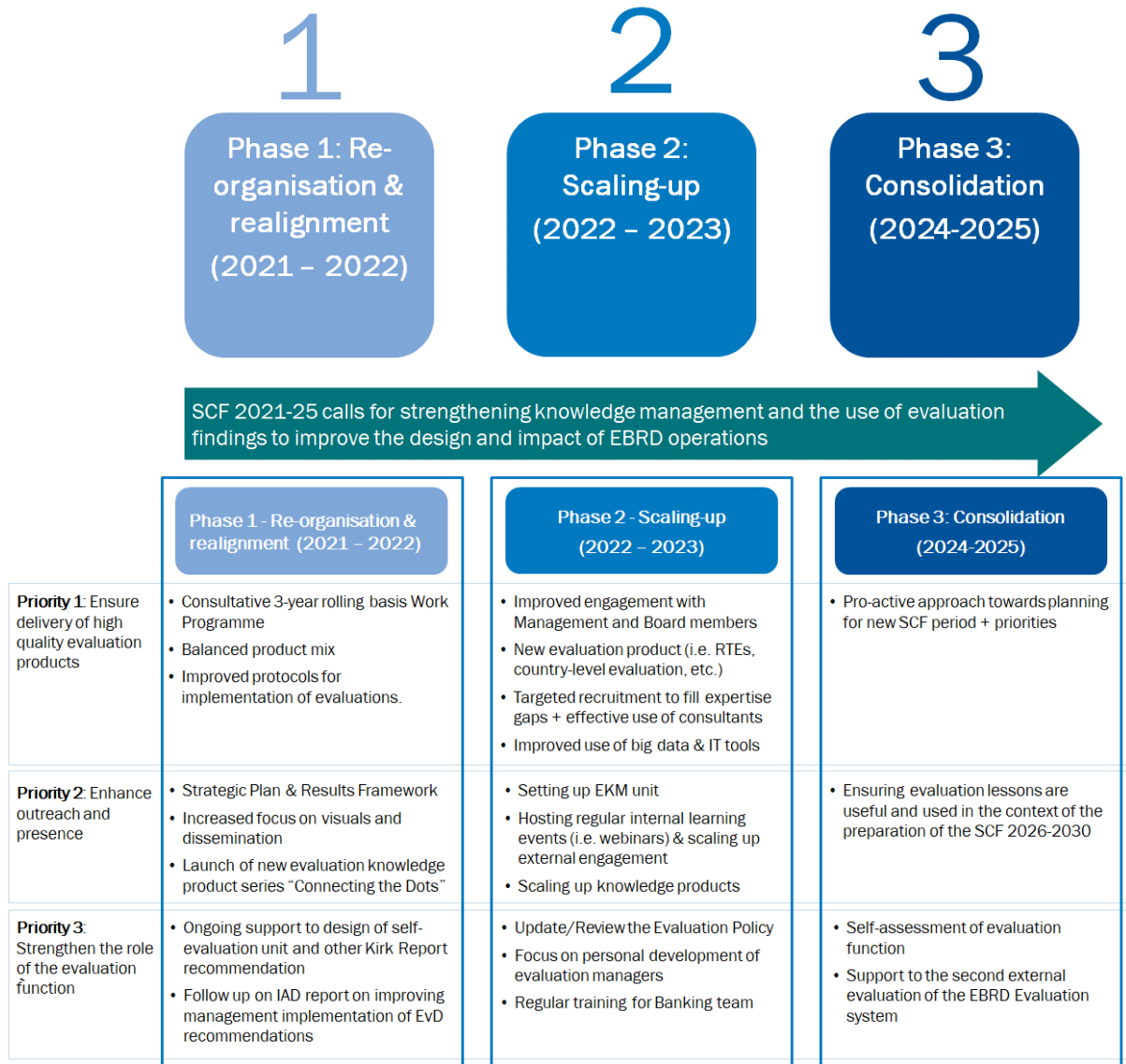
1.2 Building on our foundation: scaling up EvD capabilities

12. EvD's Strategic Plan was approved by the Audit Committee in June 2022. Developing a Strategic Plan was a recommendation made in the 2019 External Evaluation of EBRD's Evaluation Systems (Kirk Report). **The Strategic Plan sets out how EvD will contribute to the achievement of the SCF 2021-2025 objectives and deliver upon EvD's vision of being useful and used. It is accompanied by an EvD result-framework to help measure progress.** The full results framework is available as a technical note at the end of this report.

13. During the last year, EvD focused on delivering Phase 1 of the Strategic Plan: Re-organisation and realignment. **EvD restructured its organisation, transitioned to a three-year rolling Work Programme developed on a consultative basis,** rebalanced EvD's product mix, and piloted a new series of knowledge products, 'Connecting the dots' publications (on insights from evaluations on topics of specific interest to EBRD) and "EvalTalk" webinars (offering platforms to discuss evaluation findings and lessons within EBRD and outside). An overview of the products that EvD delivered in 2022 is available in Annex 2.

14. **EvD is currently moving into Phase 2 of the Strategic Plan: Scaling up EvD's Capabilities.** Key priorities in this period include an increased emphasis on Evaluation Knowledge Management (outreach, communication, and evaluation capacity development within EBRD) and launching new products including country evaluations.

Figure 1: EvD Strategic Plan: taking a phased approach



15. This strategic shift has implications on how EvD’s Work Programme and budget is structured. Whilst EvD is not proposing a budget increase for staff costs in 2023, the budget has been restructured in order to deliver upon these two objectives, balanced with the delivery of Work Programme topics.

2 Work Programme for 2023-25: balancing short-term priorities and long-term objectives

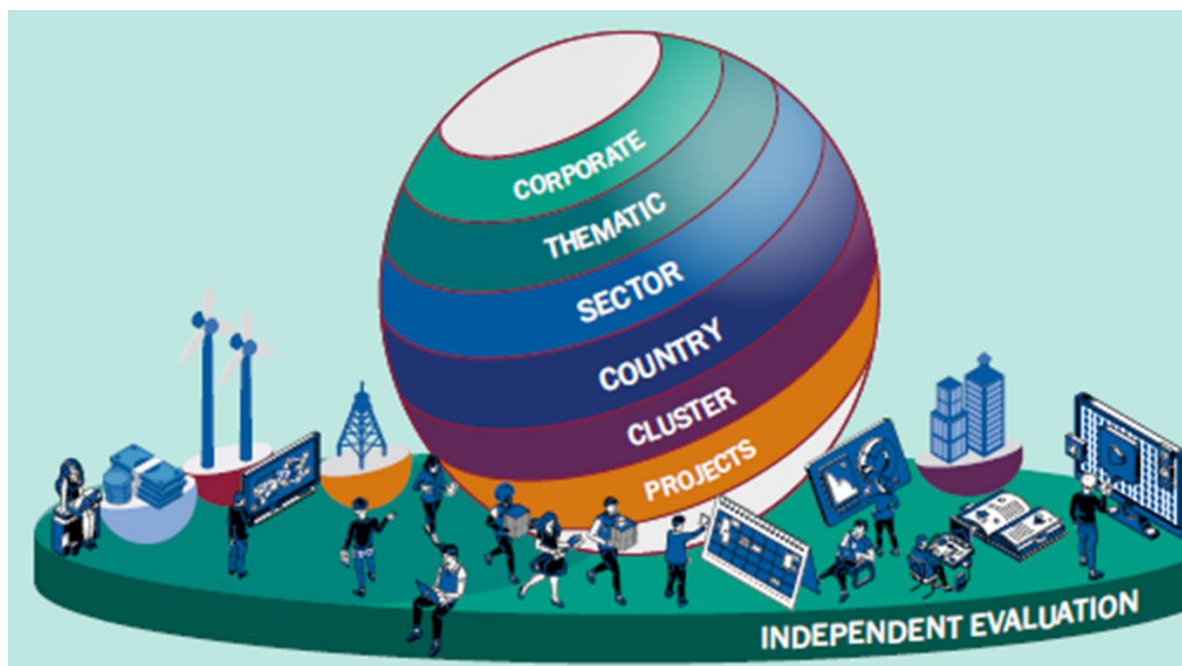
2.1 Developing the Work Programme and balancing our product mix

16. **EvD's process of developing a Work Programme takes a participatory approach to identify relevant and useful evaluation topics.** EvD first develops a longlist based on 'outside-in' and 'inside-out' analysis, before engaging with our stakeholders to understand which topics are most critical for their decision-making (a full overview of our methodology for developing the Work Programme is set out in Annex 3: Work Programme approach).

17. **The Work Programme is developed on a three-year rolling basis.** This provides greater long-term clarity to Management and to Board Members on the delivery of future evaluations and helps EvD ensure that the timing of evaluations can support other ongoing decision-making processes. Evaluations are listed in the year that they are planned to be delivered.

18. **EvD aims to provide a balanced mix of different evaluation products in delivering the Work Programme.** A balanced product mix provides a range of different types of evaluation, from corporate-level to project-level, supplemented with evaluation knowledge products, info-notes, and validations.

Figure 2: Categorisation of EvD evaluations



19. **EvD's proposed Work Programme covering the period 2023-2025 is set out overleaf.** The list of evaluation topics scheduled for delivery in 2023 has limited flexibility once presented to the Audit Committee, while topics proposed for delivery in 2024 and 2025 are more indicative and will be reviewed in future Work Programme discussions.

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

Figure 3: Proposed EvD Work Programme 2023-2025

	2023 (limited flexibility)	2024 (to be discussed in 2023)	2025 (provisional)
Corporate (ca. 1 p.a.)	Evaluation of EBRD approach to Transition Impact measurement (ETI/PTI & ATQs)	Interim assessment of the Strategic Capital Framework 2021 –2025 (to be started in 2023) <i>Self-assessment of the independent evaluation function (prior to external assessment in 2025)</i>	Balancing risk appetite and transition impact EBRD support to ATCs
Thematic (ca. 3 p.a.)	Performance and results of policy dialogue <i>Support to gender (launched in 2022)</i> <i>Real-time Evaluation of the EBRD support to Ukraine (Report 1/2)</i>	Local currency financing Rapid assessment of implementation of Paris Alignment Real-time Evaluation of the EBRD support to Ukraine (Report 2/2)	EBRD's Response to Crisis (synthesis evaluation) EBRD Support to the Digital Transition GET Approach Equality of Opportunity Strategy
Sector (1-2 p.a.)	<i>VCIP (launched in 2022)</i> <i>Green Cities (launched in 2022)</i> <i>Agribusiness (launched in 2022)</i>	Transport Sector Small Business Initiative NPL Resolution Framework	Financial Institutions Strategy Supply chain financing framework
Country (1 p.a.)	<i>Uzbekistan Country Evaluation</i>	1 Country Evaluation	1 Country Evaluation
Cluster (2-3 p.a.)	MREL Transition Impact & Additionality Decarbonisation of the built environment Green Bonds	Youth Inclusion Micro-finance Support to energy security	Climate resilience in agriculture Inclusion in Green Finance Spatial and Regional Inclusion
Project/ Operation (2-3 p.a.)	Inclusion (bundled with support to gender evaluation) <i>Wind</i> <i>Digitalisation</i>	Sustainable-linked financing project Cultural heritage framework project	Nature-based financing Non-transactional TC/PD project
Validations (15-25 p.a.)	<i>Based on OPA programme</i> <i>Designing new system</i>	<i>Piloting new system</i>	<i>New system</i>
Knowledge products and info-notes	<i>Based on stakeholder demand</i>	<i>Based on stakeholder demand</i>	<i>Based on stakeholder demand</i>
Annual Evaluation Review	AER 2022	AER 2023	AER 2024

Italicised projects have already been launched or formally committed too

21. **Initial descriptions of proposed evaluation topics for 2023 and 2024 is available in Annex 4.** At this stage, for evaluations which have not yet started, these descriptions are high-level and indicative. EvD will finalise the exact scope and methodology during the approach paper stage, with input via a consultation process with both Management and Board.

22. **EvD's Work Programme aims to align evaluation topics with wider institutional priorities.** This is part of EvD's vision of making evaluation useful and used. In particular, EvD has focused on ensuring that there is deep evaluation across the SIP priorities of crisis response, green transition, supporting equality of opportunity, digitalisation, and learning and results management.

Figure 4: Illustration of alignment of potential Work Programme topics with EBRD priorities

Potential Evaluation topics			EBRD Priorities
2023	2024	2025	
Green Cities Decarbonisation of the built environment	Rapid assessment of implementation of Paris Alignment Support to Energy Security	GET Approach Climate Resilience in Agriculture	Green (6)
Support to gender Inclusion project evaluation	Youth Inclusion Micro-finance	Equality of Opportunity Strategy Inclusion in Green Finance	Equality of Opportunity (6)
Counter-factual evaluation of the Solidarity Package	Real-time Evaluation of the EBRD support to Ukraine	EBRD's Response to Crisis	Crisis response (3)
Digitalisation project evaluation	Small Business Initiative	EBRD Support to the Digital Transition	Digitalisation (3)
Evaluation of EBRD approach to Transition Impact measurement	Self-assessment of the independent evaluation function	Balancing risk appetite and transition impact	Performance and results management (3)
Comprehensive EvD coverage across EBRD Priorities			

23. **In addition to the evaluation topics outlined above, EvD will deliver upon its validation programme of self-evaluation products.** The self-evaluation system is currently being redesigned by Management, with the new report format, Summary Performance Assessment (SPA), to be piloted offline in 2023 and to be launched in Monarch in 2024.

24. Management will continue producing circa 40 Operational Performance Assessments (OPA) and **EvD will continue to independently validate a sub-sample of those, providing project-level accountability and analysis of the robustness of the self-evaluation system.** Management will also produce circa 20 new SPA reports in 2023 on a pilot basis, with the aim of ramping up the number to 200 in 2024 and onwards.

25. **Therefore, in 2023 EvD will be reviewing its approach to independent validation in line with the changes in the Management's approach to self-evaluation.** Through mobilising internal and external expertise, EvD will design its new validation model and test the possibility to include validation in the new online SPA template, in view of scaling up in 2024.

26. **EvD will continue to deliver knowledge products and info-notes over 2023-2025.** These products are developed based on stakeholder demand and emerging opportunities, and are not prescribed at this stage. An initial knowledge product that EvD intends to launch in 2023 will look at best practice principles for effective use of blended finance, drawing upon experience of the EBRD as well as other MDBs.

2.2 Building an enabling environment for evaluation

27. **In addition to the evaluation Work Programme topics listed above, EvD will continue to support the development of an enabling environment for evaluation.** As outlined in the departmental Strategic Plan approved by the Audit Committee in June 2022, a key part of EvD's toolkit for making evaluation useful and used is strengthening the evaluation culture in the Bank. This involves several components, including Evaluation Knowledge Management (EKM); building evaluation capacity (ECD) of EBRD colleagues involved in self-evaluation exercises across the investment, TC and policy dialogue pillars; and supporting EBRD's results culture.

28. **There is now an EKM unit operational within EvD, supporting the effective dissemination of lessons and insights from evaluation.** This includes producing synthesis of existing evaluation data and knowledge; upgrading the visual presentation of EvD deliverables; organising and participating in webinars and conferences in EBRD and outside; and supporting the development of more learning-focused evaluation products.

Box 3: Example – launching EvalTalks: EvD Webinars

EvD launched a new webinar series called "EvalTalks" on 17th May 2022.

The **objectives** of this webinar series are:

- i. To **share evidence**, lessons and insights on what works and what doesn't work with EBRD's staff based on evaluation findings
- ii. To **provide a platform** for a timely discussion among staff and evaluators in order to generate new ideas on topics of relevance to the audience
- iii. To promote a **learning culture** within EBRD by encouraging staff to use evaluation evidence to improve the Bank's activities and results.

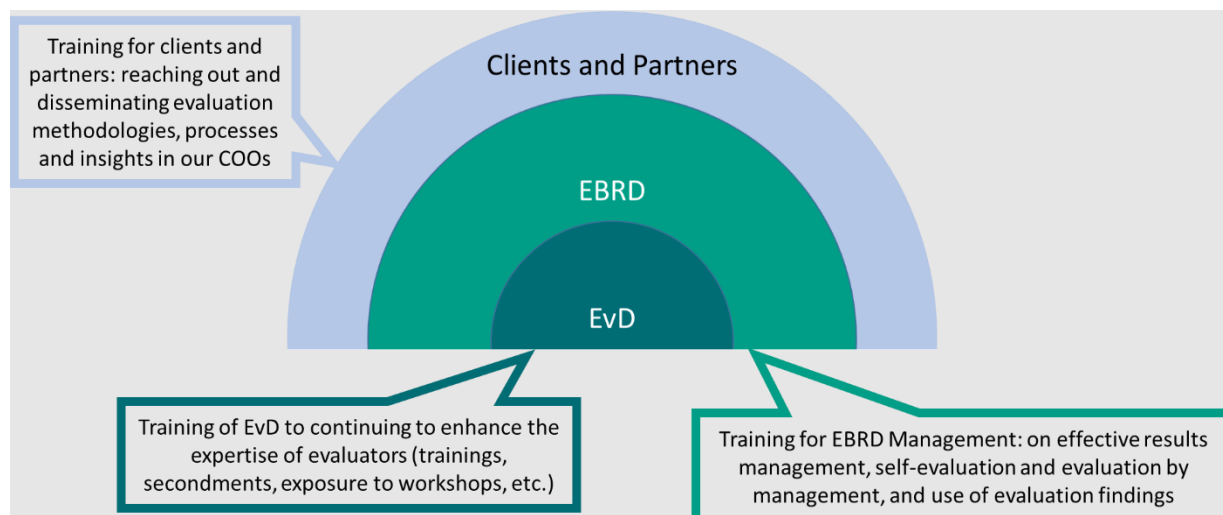
29. **Going forward, EvD will continue to make EKM an important part of its Work Programme.** EvD is expanding its delivery of evaluation knowledge products, such as the *Connecting the Dot* series, and increasing the dissemination of evaluation findings, including reaching out to Resident Offices and countries of operation.

30. **In order to strengthen the culture of evaluation in EBRD for increased transparency, good governance and enhanced knowledge sharing, EvD aims to undertake, depending on budget constraints, a more systematic approach to Evaluation Capacity Development (ECD).** EvD proposes to implement this approach in a phased manner, starting with a pilot phase in 2023 and with the possibility to scale-up later, if there is support from Board members for allocation of additional budgetary resources to this workstream.

31. **The ECD approach aims** to target all relevant stakeholders of evaluation:

- 1 EvD staff - continuing to enhance the expertise of evaluators (trainings, secondments, exposure to workshops, etc.)
- 2 EBRD Management (HQs and ROs) on effective results management, self-evaluation and use of evaluation findings
- 3 Clients and country stakeholders - reaching out and disseminating evaluation methodologies, processes and insights in COOs when relevant

Figure 5: ECD - building capacity in EvD, in EBRD, and amongst clients and partners



32. **Helping to build wider institutional understanding on evaluation is a critical component of implementing an effective results management system**, which uses learning and feedback loops to ensure that decision-making processes are based on evidence-based insights.

- **Within EvD**, the increased emphasis on ECD implies strengthening our evaluation expertise through peer-to-peer sharing, training, secondments etc. It also means bringing in external expertise when and where needed. This is part of our efforts to ensure that staff within EvD have the appropriate skills and capability to continue to deliver rigorous and high-quality evaluations.

Box 4: Strengthening the gender lens within EvD

In 2023 EvD aims to emphasize the importance of including **gender lens** across all its evaluations.

- EvD will adopt a departmental strategic approach, part of which will be dedicated to investing in developing EvD's internal evaluation capacity
- This includes trainings, workshops, seminars and conferences, in order to better understand the different methodologies and approaches of the other IFIs to gender.

- **At the EBRD level**, EvD will be expanding its outreach to teams across the Bank, to build awareness and understanding of evaluation. This includes introducing formal training courses on the approach to validation of self-evaluation, as well as taking advantage of more informal opportunities to support embedding evaluation culture within the Bank.

Box 5: Reaching out to ROs during missions

- In September 2022, EvD met with RO teams in Tbilisi and Baku during a field mission trip for the forthcoming evaluation on EBRD's approach to Early Transition Countries (ETCs).

- **The Chief Evaluator joined the field mission team and introduced the independent Evaluation function at the EBRD, along with recent findings relevant to Georgia and Azerbaijan.** This approach is also implemented by other EvD staff when travelling to COOs.
- **The approach is very well received by EBRD colleagues, who show high interest in evaluation's findings and insights.** The teams were keen to hear about the work of the evaluation department and learn more about future evaluations. There were questions about the self-evaluation function and interest to have more regular presentations on topics of interest in the future.

- **EvD will also explore mechanisms to pilot developing capacity in evaluation at the client and partner level.** This may initially be focused on a select recipient group of policy dialogue partners, with the objective of strengthening the results management and evaluability of the EBRD's policy dialogue activities in particular areas.

33. **In 2023, the focus will be on designing and launching a limited set of ECD initiatives,** with the objective of raising awareness of the usefulness of evaluation and developing a common evaluation language across the EBRD.

- **This limited pilot approach to ECD will come with no extra cost in 2023.** EvD has identified efficiency gains that have enabled an additional recruitment at Associate level to support this process. EvD will also be drawing upon existing internal skills and expertise of its staff.
- **It will allow EvD to test the demand for evaluation capacity development, as reflected in the EvD Results Framework, and to inform the plan for potential scale-up.** In order to maximize the efficiency and effectiveness of this initiative, EvD will build on existing best practices and work closely with development partners (like the Evaluation Cooperation Group), think tanks and academia.

34. **EvD will continue to support EBRD's results culture by providing support to the redesign of the self-evaluation system led by Management, and by collaborating with management on an update of the evaluation policy.**

- **EvD is providing support to Management on the redesign of the self-evaluation system.** Although this function is owned and led by management, it is critical that the different evaluation functions all operate within the same overarching evaluation system, are governed by the same evaluation policy, and use a common methodological language and harmonised approaches in order to support effective coordination and synergy.
- **The Evaluation Policy is currently being revised by a joint EvD-Management Working Group.** This follows a Kirk Report recommendation. The primary objective of revising the evaluation policy is to provide more clarity on the roles and responsibilities of each stakeholder with respect to evaluation, and to differentiate clearly between the different evaluation functions: independent evaluation, self-evaluation, and evaluation by Management.

35. **EvD will continue to take an active part in achieving the Bank-wide objectives of harnessing data and knowledge as an asset and will be transforming its processes in line with the Bank's drive towards efficiency and agility.** As one of the core producers of data and information, as well as a key user of Bank data, EvD will remain actively engaged in relevant committees, groups and processes. It is particularly important as the

Bank is transiting to new information systems and platforms, introducing automation, and enhancing accessibility of data. Design of these systems and platforms should incorporate from the start the requirements and needs of the independent evaluation function, which is an integral part of the overall project cycle.

3 Budget 2023: balancing priorities with financial constraints

3.1 Overview of 2023 Budget and trend analysis

36. EvD has worked closely with the Budget team in developing this indicative budget subject to Board approval. **The proposed 2023 EvD budget reflects the challenging economic environment that the Bank is operating in, with our commitment to ensuring that we have the capacity to support the Bank's SCF priorities**, including on better use of evaluation findings to improve the design and impact of operations.

37. **In line with the overall budgetary approach of the Bank, EvD is requesting a budget increase limited to 2.9% in 2023.** The proposed budget keeps staff costs flat, whilst incorporating a small increase in non-staff costs to return to pre-pandemic levels.

38. **Whilst EvD has ambitious priorities as set out in the departmental Strategic Plan, EvD is also aware of the challenges in the wider environment in which the Bank is operating.** The requested increase, which is related to the consultancy budget, still positions EvD below annual budgeted consultancy expenditure over 2016-2020. EvD had agreed to a temporary reduction in the consultancy budget for 2022 in line with the Bank's wider efficiency gains, with the view that this would be reassessed considering business need going forward.

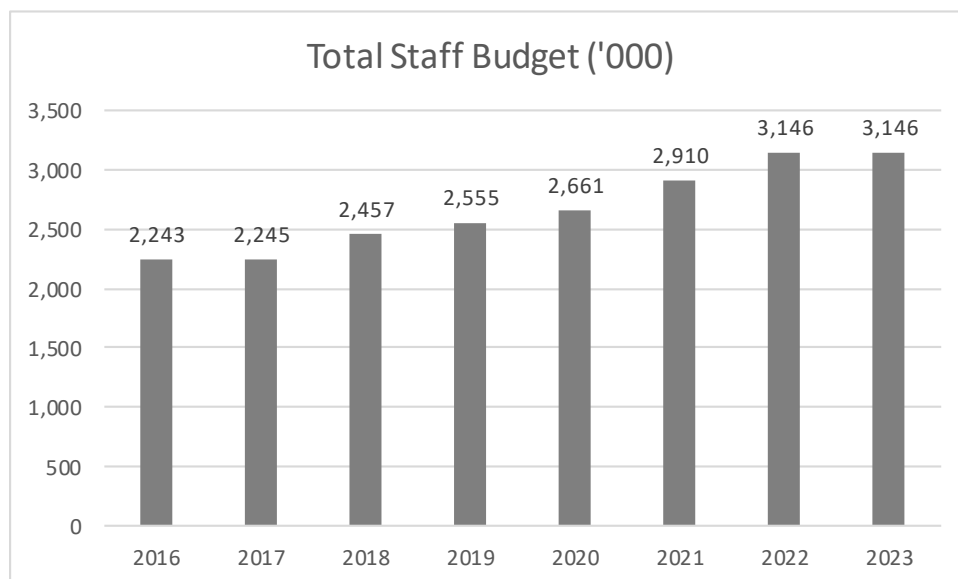
39. **Through maximising efficiency and careful allocation of resources, EvD's indicative budget has created an additional position despite keeping staff costs flat.** Budgeted headcount will increase from 23 to 24, which will enable EvD to enhance its strategic capabilities in relation to EKM and ECD.

Figure 6: EvD Budget

£'000	2016 Budget FY	2017 Budget FY	2018 Budget FY	2019 Budget FY	2020 Budget FY	2021 Budget FY	2022 Budget FY	2023 Proposed Budget FY
Gross Salary	1,378	1,422	1,505	1,557	1,612	1,763	1,906	1,906
Benefits	863	821	950	996	1,048	1,146	1,239	1,239
Other staff costs	2	2	2	2	2	2	2	2
Total Staff costs	2,243	2,245	2,457	2,555	2,661	2,910	3,146	3,146
Consultancy	707	600	450	400	300	250	150	250
Travel	100	101	75	78	100	81	77	77
Other	60	63	66	55	51	51	51	51
Total Non-Staff costs	867	764	591	533	451	382	278	378
Total Direct costs	3,110	3,008	3,048	3,088	3,111	3,292	3,424	3,524
Headcount	18	18	19	19	20	21	23	24

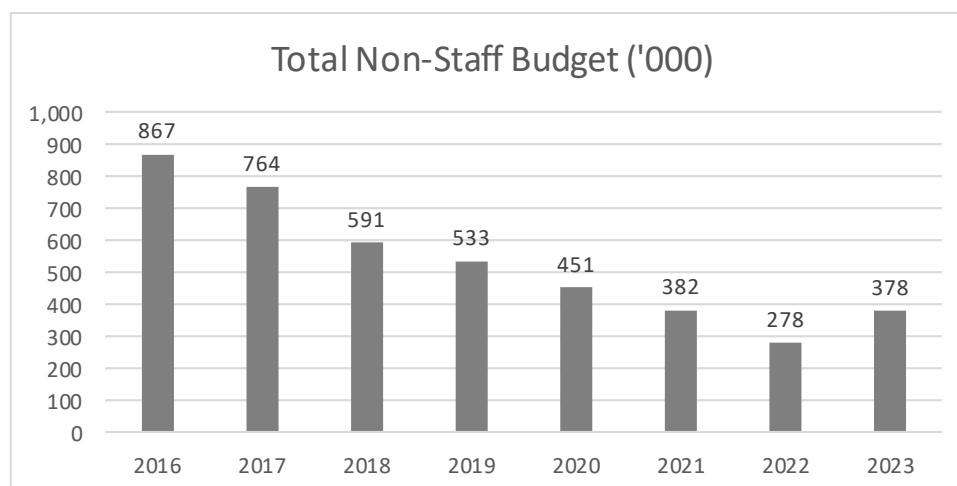
40. Following the recommendations of the Kirk Report, EvD's staff budget increased during the period 2020-2022. The report called for enhanced staffing and implementation. That has been partially implemented, but further expansion in 2023 is currently on hold due to the economic circumstances.

Figure 6: EvD Budget trend analysis – changes in total staff costs



41. As mentioned above, the proposed increase in EvD's non-staff budget 2023 is an adjustment based on the return of the amount deducted last year on EvD's budget to contribute to the overall temporary efficiency gains of the Bank. With this, non-staff costs are back to the level of 2021. 2021 and 2022 were periods of limited travel as a result of the COVID-19 pandemic, and EvD's budget request in 2022 was lower to align with the wider Bank-wide efficiency process. EvD's budget request for non-staff costs for 2023 is still significantly lower than the last pre-pandemic year (2020). The consultancy budget is -16% pre-pandemic level - £250k in 2023 vis-à-vis £300k in 2020 (although the disbursement rate is higher); and the travel budget is -23% pre-pandemic level - £77k in 2023 vis-à-vis £100k in 2020.

Figure 7: EvD Budget Analysis - changes in total non-staff costs



42. EvD's efficiency compares well against comparators at other organisations. Research by the Independent Evaluation Office at the IMF has highlighted that compared to other MDBs, EvD's budget and staffing

is smaller as a percentage of institutional resources than the World Bank, African Development Bank, Asian Development Bank, and Inter-American Development Bank. Although there are limitations to such comparisons (type of reports, scope, etc.) this provides an indication of the resources and outputs of other evaluation units.

Figure 8: EvD Budget trend analysis

	IEG (WB)	IED (AsDB)	OVE (IADB)	IDEV (AfDB)	EBRD (EvD)	IEO (UNDP)	IEO (IMF)
Reports per year	473	89	18	11	8/10	19	2/3
Budget (millions USD)	37.3	14.8	8.4	10.4	4.4	11.8	6.2
Budget ratio	1.4	1.9	1.4	1.8	0.8	0.2	0.5
Staff	109	60	25	40	18	32	15
Staff ratio	0.9	1.7	1.3	1.9	0.7	0.1	0.6
Date of establishment	1973	1978	1999	1980	1992	1967	2001

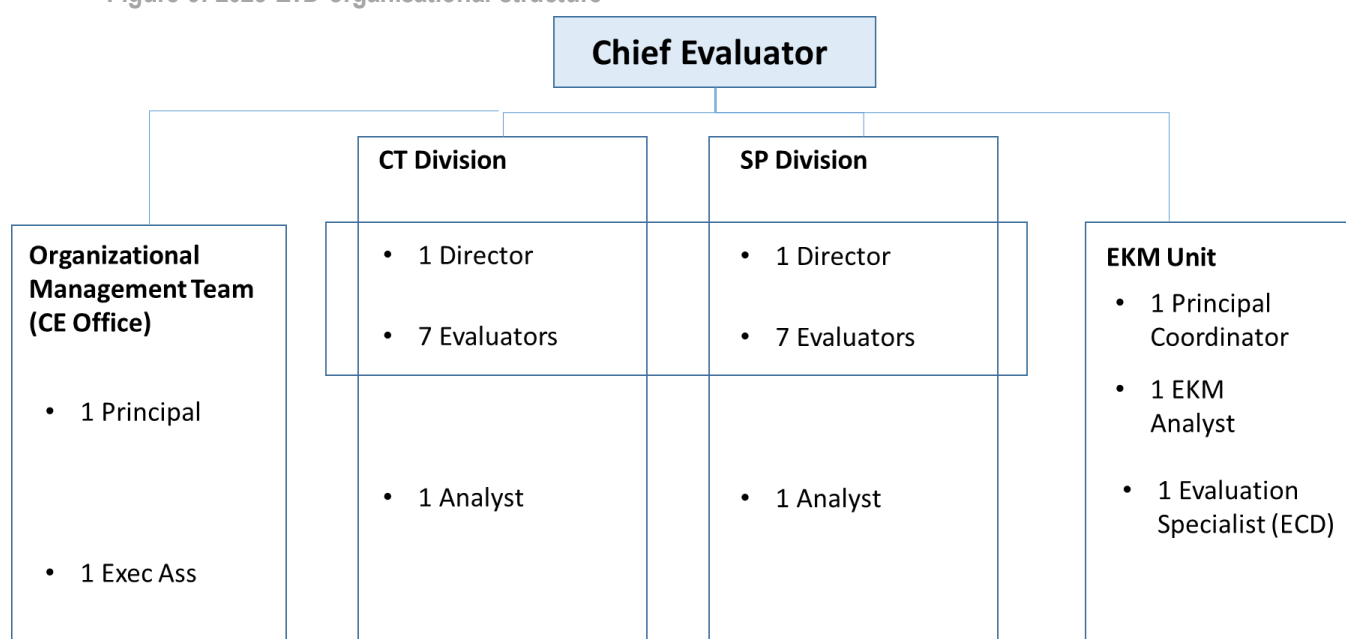
Source: IMF IEO, 2022. EvD's figures show actual number of staff as of September 2022.

3.2 Reorganising EvD to enhance EKM and to launch ECD

43. To improve effectiveness, EvD is revising its organisational structure in line with the direction set out in the EvD Strategic Plan. This includes the establishment of an EKM unit, to support outreach and communication as well as ECD, and setting up an organisational support team.

44. EvD's current organisational structure is designed to maximise the efficiency of delivery, enabling greater specialisation whilst still promoting cross-peer collaboration. Some positions are in the process of being filled (Fig 5).

Figure 9: 2023 EvD organisational structure



45. In collaboration with the Budget team, EvD has estimated the costs associated with a **more robust evaluation capacity development programme**. In EvD's view, a more developed evaluation capacity

development programme would support the EBRD evaluation architecture and benefit the entire Bank and its clients. This may be considered either for the 2024 Budget or in the coming years, at Directors' discretion.

Evaluation Capacity Development Programme: Cost-Benefit Analysis Summary

Benefit: business case & value proposition

- **EvD:** Strengthen the expertise of evaluators and the quality of evaluation products, including with exposure to new approaches, use of IT tools, etc.;
- **EBRD:** Enhance the culture of evaluation for increased transparency, good governance and enhanced knowledge sharing.
- Improve EBRD staff's basic skills on effective results management and self-evaluation (in HQs and ROs) as essential elements for consolidating the EBRD evaluation architecture, and as recommended by the Kirk Report
- **Clients:** (TBC) Reach out to clients to strengthen data management by disseminating evaluation insights in COOs and strengthening data management to measure progress.

Associated costs

- 1 new staff position at Principal level (80% MRP)
- 10% increase in travel and consultancy costs

4 Conclusions

46. **EvD's vision is to deliver independent evaluations which are useful and used for enhanced transition impact.** In developing this Work Programme, EvD prioritised the selection of relevant and timely evaluation topics which support evidence-based decision making at both Board and Management level.

47. **In the selection of Work Programme topics, EvD benefitted from a broad range of feedback and input from Directors.** As the principal "client" for EvD evaluations, the perspective of Board Directors is particularly valuable in maximising the usefulness and influence of EvD evaluations. Feedback from Management has also been extremely useful, providing information that helped refine the selection of topics and the timing of evaluation but also creating a sense of common objectives of enhanced accountability and learning in selected areas.

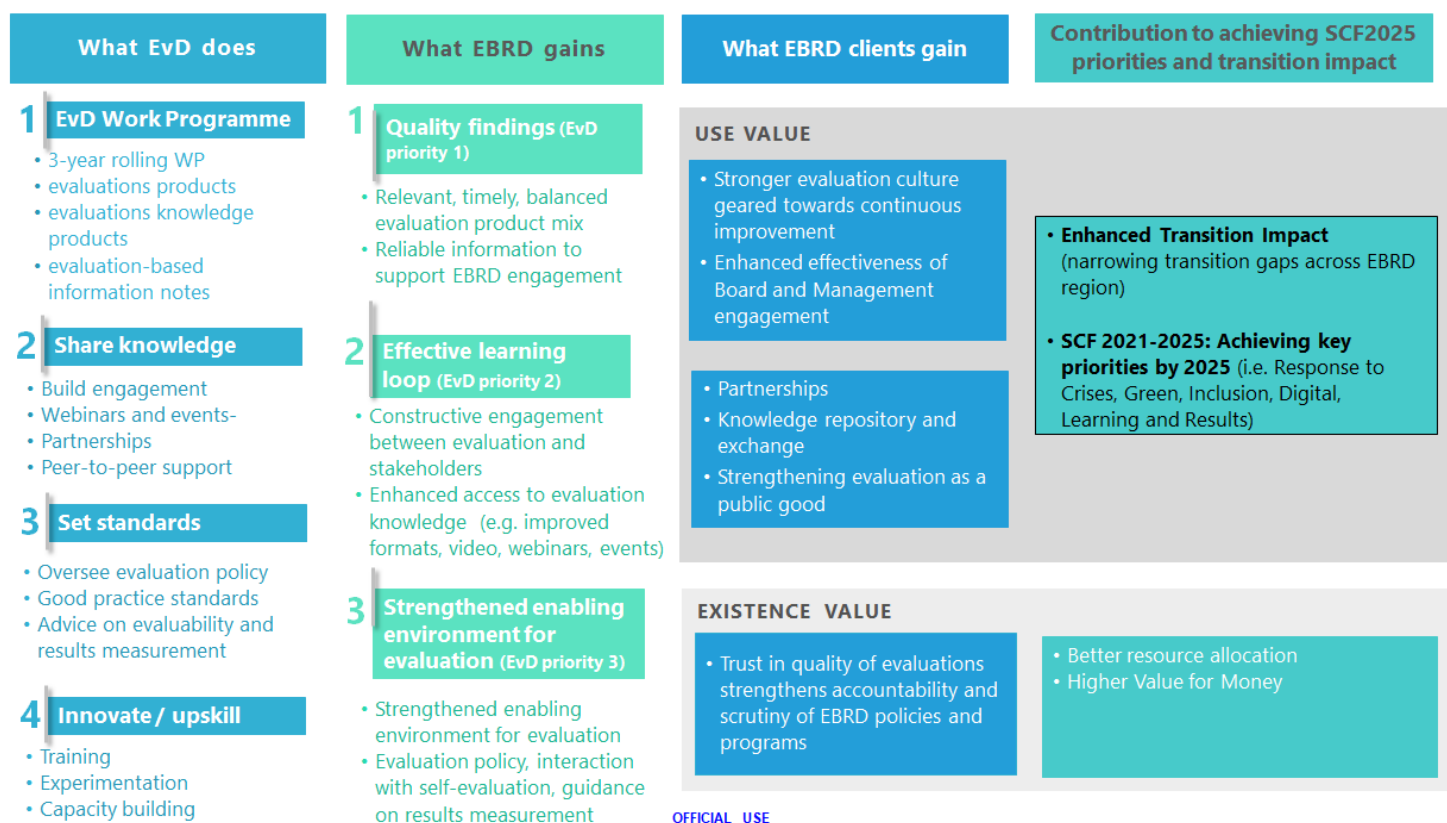
48. **The topics proposed by EvD constitute a balance between short-term and long-term priorities.** EvD is responsive to immediate and high-priority topics on the agenda, such as the War on Ukraine, but is also cognisant of the need to keep track of the institution's longer-term critical objectives.

49. **This Work Programme aims to expand EvD's capabilities without requiring additional budgetary resources for staff costs.** By carefully allocating our expenditure to where it is most effective, EvD expands evaluation knowledge management and develops a pilot set of activities for evaluation capacity development. Both functions are critical for enhancing a culture of evaluation and supporting progress towards the SCF priority of strengthening results frameworks, knowledge management, and the use of evaluation findings in the design and impact of operations.

50. **Although this proposed Work Programme provides an overview of EvD's expected deliverables in 2023-25, the team retains flexibility in order to respond to evolving priorities.** EvD aims to set a clear vision for EvD's deliverables whilst remaining agile and responsive. EvD remains open to requests for support from the Board in 2023 outside of the approved Work Programme.

Technical Note – The EvD Results Framework

A. Theory of Change EvD



OFFICIAL USE

B. The complete EvD Results Framework (RFW)

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
0. EvD resource efficiency								
	0.1		X	Budget utilisation in line with forecast by main expenditure headings	Budget report		>90% <105%	Annual EvD budget utilisation in main budget lines (%) <i>Categories: Staff, Training, Consultancy, Travel, etc.</i>
	0.2		X	Utilisation of consultancy budget	Budget report		>80%	Annual utilisation of consultancy budget (%)
	0.3		X	Staffing ratio	HR data		TBD	% of unfilled positions (average for the year)
	0.4		X	Gender balance per level of seniority below MD	HR data		50%	Gender ratio at all represented seniority levels (%)
	0.5		X	Staff engagement/ satisfaction	EBRD Engagement survey	6.4 and 8.2 (2021)	Upward trajectory	EvD score in EBRD Engagement survey at the provided level of disaggregation (divisions)
1 INPUTS								
Work Programme and evaluation products	1.1	X		% of evaluations products delivered – by category, including validations	Annual Work Plan - # of expected deliveries per product category; EvD tracking on delivery	n/a	90% for each category	Delivered products in calendar year, divided by WP expectation for the year; disaggregated by product category; <i>Categories: Corporate Thematic Sector/ Country Project & cluster Validations (OPAVs)</i>
Share knowledge and build engagement	1.2	X		# of knowledge events EvD-organised or where EvD participated in presentations	EvD tracking	n/a	TBD	# of knowledge events organised or participated by EvD staff, both internal and external events
	1.3	X		# knowledge products and information notes produced by EvD	EvD tracking	n/a	TBD	# of knowledge products delivered in year <i>Knowledge products comprise: Syntheses, CtD, Briefs, Thematic notes, and similar</i> <i>Information notes for Board (topical Board items, BCVs, ad hoc requests, and similar)</i> <i>Other (Intranet posts, Blogs, and similar)</i>

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
Set standards	1.4	X		# of EvD training sessions for EBRD staff	EvD tracking	n/a	TBD	# of EBRD staff trained on evaluation approaches and methodology
Innovation, upskilling and methodologies	1.5	X		% of EvD staff attending capacity building courses, training, or secondments	EvD tracking	n/a	TBD	% of EvD staff attending capacity building courses, training, or secondments; <i>NB: training financed from training budget, excludes mandatory EBRD training</i>
	1.6		X	Training budget utilisation	Budget report		>90%	% utilisation of training budget in year
	1.7		X	Person-days of staff training	EvD tracking		TBD	Person-days of staff training (#); <i>NB: training financed from training budget, excludes mandatory EBRD training</i>
	1.8		X	Internal knowledge sharing & learning within EvD	EvD tracking			# of internal sharing sessions organised within EvD ('brownbag' or similar)
2. OUTPUTS								
Quality findings (EvD priority 1)	2.1	X		Perception of relevance of evaluation products % Board Members % Management % Staff	<i>Annual survey of Board</i> <i>Biennial survey of management/ staff</i>	<i>Will be taken from first survey, 2023</i>	<i>Targets TBD based on the baseline</i>	% of 'Very good' and 'Good' answers to survey question: <i>Thinking of all the EvD products you have engaged with in the past 12 months, how satisfied were you with the following aspects: Relevance to your work</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don't know' answers
	2.2	X		Perception of quality of evaluation products % Board Members % Management % Staff	<i>ditto</i>			% of 'Very good' and 'Good' answers to survey question: <i>Thinking of all the EvD products you have engaged with in the past 12 months, how satisfied were you with the following aspects: Quality</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don't know' answers
	2.3	X		Perception of timeliness of evaluation products % Board	<i>ditto</i>			% of 'Very good' and 'Good' answers to survey question: <i>Thinking of all the EvD products you have engaged with in the past 12 months, how satisfied</i>

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
				Members % Management				were you with the following aspects: Timeliness Disaggregated for respondent categories Board Management Excludes 'Don'tknow' answers
	2.4	X		# of references to EvD and EvD reports within Board documents (approved, endorsed, or shared)	EvD tracking	n/a	TBD	# of references to EvD, evaluation reports or other products, evaluation lessons/ findings/ conclusions in Board documents; Board documents include all documents circulated to Board or Board Committees for decision or for information, published on Pegasus, and Board/Committee discussion minutes
	2.5		X	% of major studies [Corporate/ Thematic/ Sector/ Country] with external peer review	EvD tracking	n/a	100%	% of Corporate, Thematic, Sector and Country evaluations finalised in the year, which have had an external independent peer review
Effective learning loop (EvD priority 2)	2.6	X		Perception of effectiveness of EvD communication % Board Members % Management % Staff	Annual survey of Board Biennial survey of management/ staff	Will be taken from first survey, 2023	Targets TBD based on the baseline	% of 'Very good' and 'Good' answers to survey question: <i>Thinking of all the EvD products you have engaged with in the past 12 months, how would you describe the effectiveness of EvD communication?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
	2.7	X		# of attendees at EvD knowledge / dissemination events	EvD tracking	n/a	TBD	# of participants at EvD-organised internal events
	2.8		X	# Learning products published internally and externally	EvD tracking			# of learning products published in the year – Syntheses, CtD, Briefs, Thematic notes, and similar
	2.9		X	# Internal knowledge events (co-)organised by EvD	EvD tracking			# of knowledge events (co-)organised by EvD, internal to EBRD audience
	2.10		X	# External events (co-)organised by EvD	EvD tracking			# of events (co-)organised by EvD, for participants primarily external to EBRD

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
	2.11		X	# of products submitted to joint evaluation databases (OECD EvalNet DEREK etc.)	EvD tracking			# of products submitted to joint evaluation databases (OECD EvalNet DEREK etc.)
	2.12		X	# of technical meetings on recommendations	EvD tracking			# of technical meetings on recommendations
Strengthened enabling environment for evaluation (EvD priority 3)	2.13	X		Perception of EvD behavioural independence % Board Members % Management	Annual survey of Board Biennial survey of management	Will be taken from first survey, 2023	Targets TBD based on the baseline	% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent are EvD products guided by professional standards and independent of undue influence?</i> Disaggregated for respondent categories Board Management Excludes 'Don'tknow' answers
3. OUTCOMES								
Stronger evaluation culture geared towards continued improvement	3.1	X		Perception that evaluation products contribute to the improvement of EBRD's performance % Board Members % Management % Staff	Annual survey of Board Biennial survey of management/ staff	Will be taken from first survey, 2023	Targets TBD based on the baseline	% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent do evaluation findings, lessons and recommendations contribute to the improvement of EBRD's performance?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
	3.2	X		Perception of evaluations contributing to improving EBRD operations and strategies % Board Members % Management	ditto			% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent do evaluation findings, lessons and recommendations contribute to the improvement of EBRD's operations and strategies?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
	3.3		X	% of EvD recommendations			Tracking indicator;	% of evaluation recommendations with 'Agree' or

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
				<i>accepted by Management</i>			<i>achieving 100% is not the objective here</i>	'Partly agree' response from management, of all recommendations presented in the year
	3.4		X	<i>Perception of evaluation contributing to improved decision-making in EBRD</i>	<i>Annual survey of Board Biennial survey of management/staff</i>	<i>Will be taken from first survey, 2023</i>	<i>Targets TBD based on the baseline</i>	% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent do evaluation products contribute to improved decision-making in EBRD?</i> Disaggregated for respondent categories Board Management Excludes 'Don'tknow' answers
	3.5		X	<i>Perception of usefulness of EvD evaluations % Board Members % Management % Staff</i>	<i>ditto</i>			% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent are evaluation products useful?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
	3.6		X	<i>% of respondents who respond Yes to 'Have you used any evaluation product to inform your work?' % Board Members % Management % Staff</i>	<i>ditto</i>			% of 'Yes' answers to survey question: <i>In the past 12 months, have you personally used any evaluation product to inform your work?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
Partnerships Knowledge repository and exchange Strengthening evaluation as a public good	3.7	X		<i># of partners with which EvD worked (i.e. other MDBs, evaluation societies, think-tanks, etc.)</i>	<i>EvD tracking</i>	<i>n/a</i>	<i>TBD</i>	# if EvD partners with whom we had meaningful cooperation in the year; this includes: Membership organisations where we participate in WGs, events, conferences, workshops (EvalNet, EES, etc.) Inter-IFI work (ECG, Asian Eval week, etc.) Other ad-hoc cooperation on events, products, EKM-type activities (COP, think tanks, research institutes, etc.)

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
	3.8	X		Perception rating of independent evaluation contributing to learning in EBRD % Board Members % Management % Staff	Annual survey of Board Biennial survey of management/staff	Will be taken from first survey, 2023	Targets TBD based on the baseline	% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent does independent evaluation contribute to learning in EBRD?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
	3.9		X	# of media references to EvD and/or EvD reports	EvD tracking	n/a	TBD	# of media references to EvD and/or EvD reports
	3.10		X	Perception of usefulness of evaluation knowledge products and services % Board Members % Management % Staff	Annual survey of Board Biennial survey of management/staff	Will be taken from first survey, 2023	Targets TBD based on the baseline	% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent are evaluation knowledge products and services useful?</i> Disaggregated for respondent categories Board Management Staff Excludes 'Don'tknow' answers
Trust in quality of evaluations strengthens accountability of EBRD policies and programmes	3.11	X		Perception rating of independent evaluation contributing to accountability in EBRD % Board Members % Management	ditto			% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent does independent evaluation function contribute to accountability in EBRD?</i> Disaggregated for respondent categories Board Management Excludes 'Don'tknow' answers
	3.12		X	Perception of evaluations leading to better understanding of EBRD performance % Board Members % Management	ditto			% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent does independent evaluation function contribute your understanding of EBRD performance?</i> Disaggregated for respondent categories Board Management

Theory of Change	#	Core	Ext	Indicator	Source	Baseline	Target	Definition
								Excludes 'Don'tknow' answers
	3.13		X	<i>Perception of evaluations contributing to better allocation of resources of EBRD operations</i> % Board Members % Management	<i>ditto</i>			% of 'To large extent' and 'To some extent' answers to survey question: <i>In your opinion, to what extent does independent evaluation function contribute better allocation of resources in EBRD?</i> Disaggregated for respondent categories Board Management Excludes 'Don'tknow' answers

Annex 1: Glossary of the EvD products

As contextual background, evaluation products are defined as follows:

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

producing new self-evaluation products in 2023. Management have engaged with EvD on the OPA workplan for 2022, and discussions on that are ongoing.

- **Learning Products** - EvD prepares learning products which synthesise key insights from evaluations conducted by EvD as well as other IFIs and relevant institutions, supplemented with other secondary research. Instead of providing an assessment of institutional performance, learning products summarise best practices and lessons from within the Bank and elsewhere. Learning products are aimed at both an internal and external audience, and serve to improve institutional performance through lesson sharing whilst also highlighting observations from the EBRD's experience for the benefit of external stakeholders.

Annex 2: An update on delivery during 2022

During 2022, EvD has delivered numerous evaluation products, covering all the priorities areas of the Bank, i.e. crisis-related and fragility, green agenda, digitalisation, gender equality and inclusion and results management and learning.

Delivered	Coming soon [delivery end-2022 / early 2023]	Ongoing Expected in 2023
<ul style="list-style-type: none"> • Evaluation of Public Sector Operations • Evaluation of West Bank & Gaza Programme • Evaluation of EBRD Solar Projects • EvD Strategic plan 2022-2025 • Annual Evaluation Review (AER) 2021 • Evaluation of Shareholders' Special Fund • + 5 info-notes • + 3 "Connecting the Dots" 	<ul style="list-style-type: none"> • ETC Initiative • Evaluability of Green Finance • Evaluation of EBRD crisis-response: impact evaluation of the SP (counter-factual-based) • Evaluation of EBRD crisis-response: real-time evaluation of the Bank's support to Ukraine • Digitalisation Project Evaluation + revised Evaluation Policy 	<ul style="list-style-type: none"> • Evaluation of Venture Capital Investment Programme (VCIP) • Evaluation of Agribusiness Strategy • Evaluation of the EBRD support to gender • Evaluation of the Green Cities Programme • Wind project evaluation

In addition to the delivery of evaluations, EvD launched several evaluation knowledge products in 2022. EvD's Connecting the Dot series had several publications in 2022, including on reconstruction and doing business in Sub-Saharan Africa.

Furthermore, Board directors appreciated info-notes and forward looking discussion paper circulated for information over the course of 2022. Those products respond to demand from Board Members on topical items, with EvD providing relevant insights from evaluation.

Info-notes that EvD has delivered in 2022 include items on the SSF, SIP, results measurement of the Resilience Package, reviewing the Country Strategy Delivery Review process, and briefing notes prior to Board Consultation Visits to CoOs.

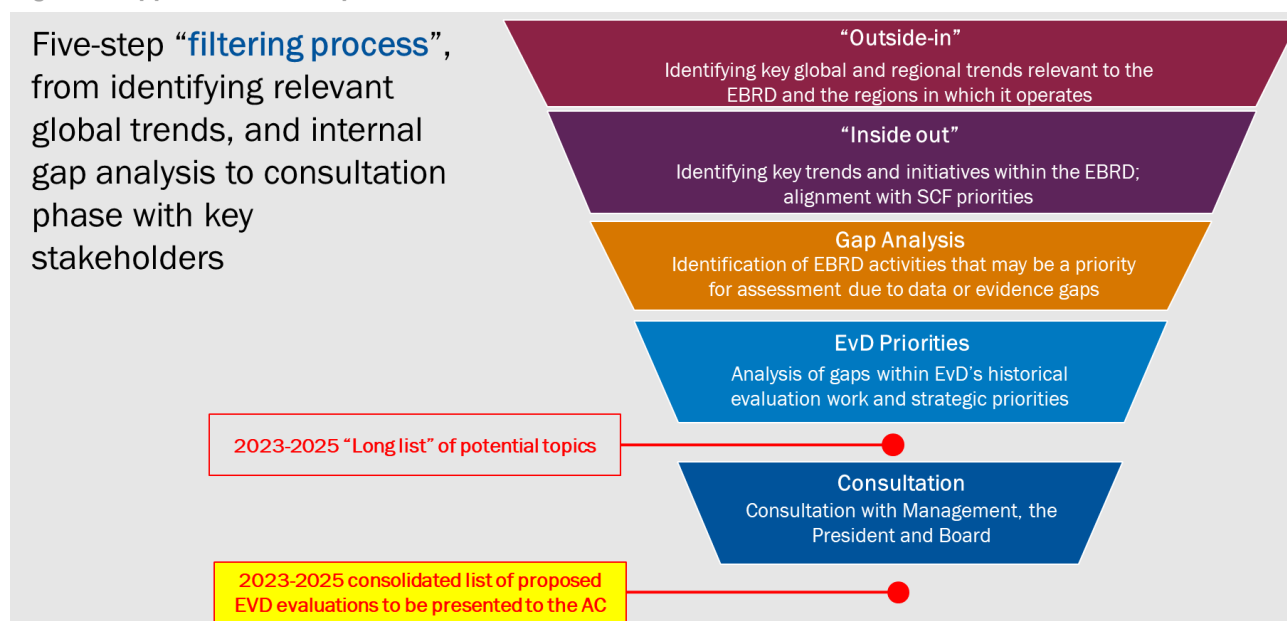
Annex 3: Work Programme approach

EvD’s process of developing a Work Programme takes a participatory approach to identify relevant and useful evaluation topics. This combines extensive analysis of wider macro and institutional priorities with deep engagement with EvD’s stakeholders to understand their perspectives.

The Work Programme is developed on a three-year rolling basis. This provides greater long-term clarity to Management and to Board Members on the delivery of future evaluations, and helps EvD ensure that the timing of evaluations can support other ongoing decision-making processes.

Evaluations are listed in the year that they are delivered. The list of evaluation topics scheduled for delivery in 2023 will be final once approved, while the list of evaluation topics scheduled for delivery in 2024 and 2025 has some flexibility and will be discussed again during the process of developing next year’s Work Programme. EvD will continue to engage with Board and Management to understand their strategic priorities before launching evaluations.

Figure 4: Approach to development of WP 2022-2024



- **Step 1: “Outside-in”** – Identifying key global and regional trends relevant to the EBRD and the regions in which it operates. EvD recognises the importance of being responsive to external trends.
- **Step 2: “Inside-Out”** – Identifying key trends and initiatives within the EBRD, and ensuring alignment with SCF priorities. In order to empower useful and evidence-based decision-making, it is critical that EvD integrates within the work programme topics which are high priority to the rest of the Bank and are fundamental to the Bank’s strategic direction.
- **Step 3: Gap analysis** – Identification of EBRD activities that may be a priority for assessment. This recognises that EvD has limited resources, and should focus on areas where it can be most additional, typically where the Bank faces an information “gap” that evaluation can help address.
- **Step 4: EvD priorities** – analysis of areas covered within EvD’s historical evaluation work. Thematic, sector, or geographic areas which EvD has not covered in recent evaluation work will be prioritised,

to help ensure as widespread coverage across the Bank's portfolio as is possible given resource constraints.

- **Step 5: Consultation** – Consultation with Management and the Board. EvD should not and has not developed this work programme in isolation. Stakeholder consultation is a key component towards identifying useful and relevant evaluation topics. With Board members the focus has been on strategic relevance and importance of the topics and with Management on the feasibility and timeliness of these topics. **EvD has also engaged with other accountability-focused teams within the EBRD.** There is regular high-level engagement between EvD, Internal Audit, and the Independent Project Accountability Mechanism (IPAM) to share ideas and to discuss areas of coordination.

Annex 4: Description of proposed Work Programme topics 2023/24

EvD has outlined brief descriptions of each evaluation topic scheduled for delivery in 2023 and 2024 in the table below (excluding evaluations which have already started). These descriptions are provisional, and the focus and scope of each evaluation topic will be refined during the Approach Paper stage in close consultation with Management and Board.

	Year	Topic	Brief overview
Corporate (ca. 1 p.a.)	2023	Evaluation of EBRD approach to Transition Impact measurement (ETI/PTI & ATQs)	ETI/PTI and ATQs are key metrics for the Bank, but there are some perceptions that the assumptions which underpin them are superficial. Internal Audit's review demonstrated several issues within the process of arriving at ETI ratings, and DAQs also often focus on trying to understand why similar projects are assessed differently. This evaluation would complement the earlier exercise conducted by Internal Audit in conducting a rigorous review of how the Bank approaches transition impact measurement, and in doing so feed into the ongoing decision-making process on how the system can be reformed. This has been a key topic of interest for Board members, as well as for Internal Audit and OCE.
	2024	Interim assessment of the Strategic Capital Framework 2021–2025 (to be started in 2023)	The current SCF period runs from 2021-2025. EvD is proposing the first ever independent evaluation of progress made towards SCF priorities. In order to feed into discussions on the design of the next SCF, EvD will aim to start this evaluation in 2023, and deliver in 2024. Given that the SCF period runs till 2025, this means this will have to be an interim assessment. The complexity and breadth of any assessment of the SCF will also necessitate careful prioritisation within the evaluation, to ensure that the exercise remains feasible and can be delivered in a timely manner to stakeholders.
		<i>Self-assessment of the independent evaluation function (prior to external assessment in 2025)</i>	Prior to the next external review of Bank's evaluation systems, EvD will perform a self-evaluation of the independent evaluation function. This will assess progress made since the Kirk Report, and form an important starting point for the external consultant who will conduct the independent review of the Bank's evaluation systems.
Thematic (ca. 3 p.a.)	2023	Performance and results of policy dialogue	EvD will assess the Bank's approach to policy dialogue, focusing on the performance measurement of policy dialogue, and the trade-offs when using policy dialogue between supporting projects and generating system results.
	2024	Local currency financing	Local currency lending is increasingly a pivotal tool for the Bank, and the current LC2 strategy runs out in 2024. This evaluation would look into the Bank's use of local currency to feed into the next iteration of the LC2 evaluation. This is also timely because in an era of crises and rising interest rates, local currency is an important instrument that enables the Bank to continue to support transition in the countries in which it operates.

		<p>Rapid assessment of implementation of Paris Alignment</p>	<p>The Bank has committed to full alignment with the Paris Agreement by end-2022. This evaluation would assess the tools and processes the Bank has adopted to ensure compliance, and analyse whether they were robust and fit-for-purpose.</p>
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	Year	Topic	Brief overview
Sector (1-2 p.a)	2024	NPL Resolution Framework	Russia's war on Ukraine and the COVID-19 pandemic has raised pressure asset quality and financial stability. The NPL Resolution Framework was signed in 2017 building upon the high level of engagement and policy dialogue work done by the EBRD under the NPL workstream of the Vienna Initiative. The NPL investment portfolio is relatively moderate, but its TC component which funded all non-transactional activities is mature enough to be evaluated. The ultimate objective of the Vienna 2.0 was to enhance the transparency of restructuring frameworks, address the large shortage of skills necessary for sustainable NPL resolution and introduce an industry reference for private solutions to NPL resolution.
		Transport Sector	The current transport sector strategy runs from 2019-2024. EvD intends to conduct an evaluation of the Bank's activities in the transport sector, in order to provide useful insights and lessons for the development of the next sector strategy. Particular areas of focus could include sustainable transport, or the integration of policy dialogue related to tariffs with transport investments.
		Small Business Initiative	EvD intends to evaluate the Small Business Initiative, EBRD's landmark programme for supporting SMEs in the regions in which it works. This is a wide-ranging programme which uses direct and intermediated financing, technical support, and policy dialogue to support the growth of SMEs.
Country (1 p.a.)	2023	<i>Uzbekistan</i> Country Evaluation	Pilot country evaluation (already in progress)
	2024	1 Country Evaluation	2 nd country evaluation; country to be selected using the country selection criteria
Cluster (2-3 p.a.)	2023	MREL Transition Impact & Additionality	Cluster evaluation focusing on the transition impact and additionality of MRELS (bonds issued by financial institutions which are eligible under the Minimum Requirement for own funds and Eligible Liabilities requirements set out in the EU's Recovery and Resolution Directive). EvD will examine the transition impact and additionality of the Bank's support to MRELS, with a view to feeding into the wider discussion on the role of MDBs in investing in MRELS.
		Decarbonisation of the built environment	EvD intends to carry out a cluster evaluation of projects supporting the decarbonisation of the built environment. Decarbonising the built environment is a critical tool in the climate transition.

	2024	Green Bonds	EvD will do a cluster evaluation of the Bank's projects in green bonds, focusing on their success in crowding in and mobilising private sector finance <i>Nb. This will not cover green bonds directly issued by the EBRD.</i>
		Youth Inclusion	EvD intends to conduct a cluster evaluation of a sample of the Bank's projects involving support to youth employment and skills capacity development.
		Micro-finance	EvD will do a cluster evaluation of micro-finance projects (credit lines to micro-finance institutions for on-lending).
		Support to energy security	EvD proposes conducting a cluster evaluation of energy security projects. These are primarily short-term liquidity projects signed following the War on Ukraine to support our clients in weathering the energy crisis and the period of high energy prices. Although many of these projects were signed after the war started, as they are short-term liquidity loans the portfolio should be mature enough to evaluate by 2024.
		Inclusion (spun off from support to gender evaluation)	EvD is proposing a single project evaluation of an inclusion project. As part of the ongoing support to gender project, EvD will seek to identify a single, standalone project that would provide useful lessons and insights to the Board on how the Bank can effectively tackle inclusion.
Project/ Operation (2-3 p.a.)	2024	Sustainable-linked financing project	Evaluation of one of the first sustainability-linked financing projects (tbc).
		Cultural heritage framework project	EvD intends to evaluate a project financed under the cultural heritage framework, which was designed to support projects which could stimulate economic growth by leveraging cultural resources heritage available. Whilst EvD does not have the resources to deliver a full tourism sector evaluation, this could still provide useful lessons and insights on how the Bank could approach the sector going forward and what value the EBRD can provide. <i>(nb. Currently considering whether to make this a full framework evaluation).</i>

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