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OPEV's Evaluation Achievements Activity Pointers Second Quarter, 2005

OPEV delivered four evaluation products this quarter: *Mali and Mauritania Country Assistance Evaluations*, the *Review of Country Strategy Papers (2002-2004)*, and the *Country Portfolio Reviews (2000-2004)*. All four evaluations were distributed for consideration by the Board's Committee of Operations and Development Effectiveness (CODE). The department also prepared and distributed two Synthesis Notes to CODE on the Review of *Country Strategy Papers (2002-*

2004), and the forthcoming *Ghana Country Assistance Evaluation* to ensure that the main evaluation findings, lessons, and recommendations are taken into account in strategic Board level discussions. Ongoing Country Assistance Evaluations during the quarter include Ethiopia, Ghana, Morocco, Senegal, and Tanzania. In April, the department organized a *Regional Development Evaluation Seminar* for senior government officials from 25 regional member countries in collaboration

with the Joint Africa Institute and the World Bank. OPEV staff also participated in high-level discussions on key development evaluation issues with multilateral and bilateral development partners at the *First Biennial Conference of the International Development Evaluation Association*, and the *Third Meeting of the Development Assistance Committee Network on Development Evaluation*.

New Sector and Thematic Classification System for Reporting on Bank Group Assistance

As part of the ongoing work on the *Annual Report on Development Effectiveness*, OPEV has started reclassifying ongoing and completed projects, using a new sector and thematic classification system. The existing classification system does not provide reliable reporting on Bank assistance across sectors and themes, and does not effectively capture the multisectoral nature of many Bank operations and key initiatives in thematic areas such as gender, private sector development, and environment. OPEV's ongoing *Annual Report on Development Effectiveness* will assess the

Bank's contribution to country outcomes using the ADF Results Measurement Framework adopted in 2003 for measuring progress toward the achievement of country outcomes. The ADF Results Measurement Framework has retained the 18 IDA indicators that are MDG-related, and two ADB indicators on governance and regional integration. As part of the evaluation, OPEV initiated an alignment exercise to determine the extent to which data collected at micro-levels (e.g., project objectives) are related to a country's overall development objectives. This alignment

created the need for the reclassification of the Bank Group's ongoing and completed projects by sectors, subsectors, and themes.

To facilitate the Bank's harmonization agenda, OPEV has adopted the World Bank's classification approach that follows the UN's classification system, where sectors refer to the different parts of an economy within a project, and themes refer to the goals and objectives of a project.



Sector Classification consists of 60 sector codes, and projects are classified using 5 different sectors with percentage weights. For each project, the weights should add up to 100%.

Thematic Classification is designed to measure progress of projects in achieving their development objectives. It is based on ranking of development objectives based on level of importance, with the ranking always totalling 100%. There are over 60 thematic codes and most can be related to MDGs and IDA18 indicators. The thematic classification allows the performance assessment of Bank projects to reflect progress toward MDGs.

The coding system for sector and thematic classification was integrated into the World Bank's SAP system three years ago, and are used for budgetary, unit program, and monitoring purposes, in addition to analy-

tical purposes such as the *Annual Review of Development Effectiveness*. At the World Bank, the classification for new projects are routinely undertaken by Operational Task Managers, centrally vetted by the Operations Policy and Country Services (OPCS) Department, and are used for a variety of other reasons related to the assessment of programs, and the allocation of resources. Each project is classified by sectors and themes. For example, a project may have three sector codes reflecting the support provided to Primary Education, Secondary Education, and Central Government Administration, while the thematic codes for that same operation may be Education For All, and Gender. Many of the themes are mapped to the set of Bank priorities as defined in the strategic plan, MDGs, and Bank-related indicators. Hence, the classification system constitutes an important component of many of the Bank's efforts to improve

managing for results, and harmonization of its practices with other development organizations.

If institutionalized within the Bank, the codes will offer a new way to encapsulate important dimensions about project outcomes and achievements, and better tracking of the results in the Bank's SAP system. The classification system will also be useful for operational work, budget allocation, and research. If the Bank decides to institutionalize the classification system, the involvement of operational task managers in determining the themes (i.e., goals and objectives) for new projects will be critical. It will also be necessary to track the indicators as well as the consistent application of the classification system across projects through an appropriate monitoring mechanism.

Box 1: Components of Sectors and Themes

Sectors are:

- High-level groupings of economic activities based on the types and goods or services produced.
- Based on the UN classification of economic sectors.
- Used to indicate which part (or parts) of the economy is supported by Bank interventions.
- Are assigned percentages to indicate the distribution of Bank support into the different parts of the economy.

Sectors are not:

- Reflections of the Bank's administrative structure that changes overtime.
- Measures of outcomes, e.g corporate priorities.

Themes are:

- The goals/objectives of Bank activities.
- Consistent with the Bank's corporate advocacy and global public good priorities.
- Also used to capture Bank support to the Millennium Development Goals.

Themes are not:

- methods/instruments of delivery or ways of doing business.
- reflection of the structure of organisational units of the Bank.

Source: World Bank, Operations Policy and Country Services Department, Delivery Management (2005).

Country Assistance Evaluations at the AfDB and Useful Lessons from the World Bank

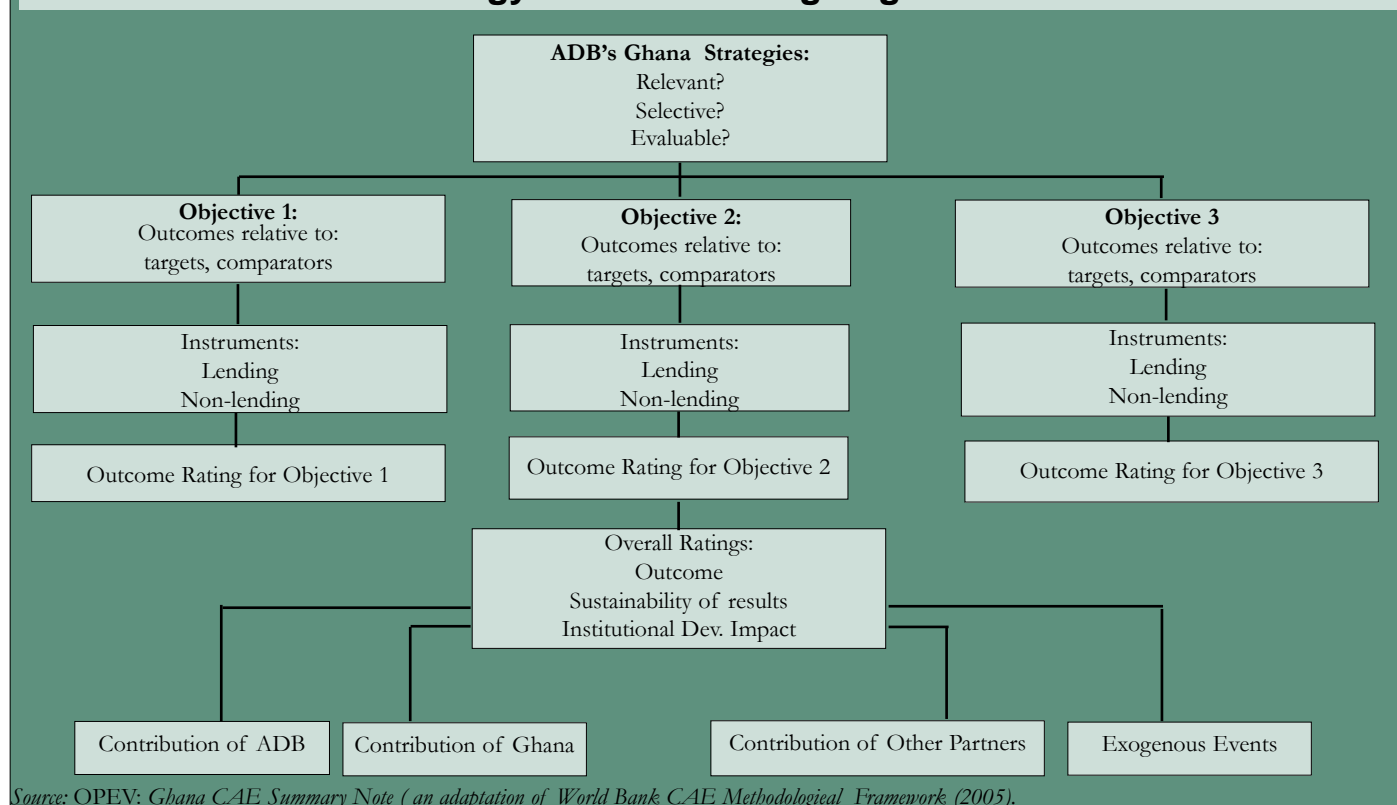
Over the last few years, OPEV has strived to scale up ex-post evaluation, beyond project and sector evaluation, to country level evaluations. In the process, OPEV has produced 8 Country Assistance Evaluation (CAE) reports with 5 additional CAEs presently in the works. The objectives of the CAEs at the AfDB are to assess the development effectiveness of Bank operations in a given country during a 9-10 year period; and to draw relevant lessons from the exercise with a view to influencing the design of the next round of Country Strategy Paper for that country, as well as to provide input to OPEV's *Annual Report on Development Effectiveness*. Because CAEs have been effective in identifying key constraints and gaps in Bank assistance, OPEV developed guidelines aligned with MDB best practice in 2004. These are presently being revised to reflect OPEV's incremental experience obtained through fieldwork.

On the basis of the CAE evaluation framework and objectives of the Bank's assistance, the CAEs typically examine country assistance program across three dimensions: (a) a *Products and Services Dimension*, involving a "bottom-up" analysis of major

program inputs -- loans, Economic and Sector Work, and aid coordination; (b) a *Development Impact Dimension*, involving a "top-down" analysis of the principal program objectives for relevance, efficacy, outcome, sustainability, and institutional

impact; and, (c) an *Attribution Dimension*, in which responsibility for the program outcome is assigned to Government, the Bank, other Donors and Exogenous events. The ongoing Ghana CAE illustrates the process.

Box 2 : Methodology for OPEV's Ongoing Ghana CAE



Source: OPEV: Ghana CAE Summary Note (an adaptation of World Bank CAE Methodological Framework (2005)).

OPEV continues to monitor developments in other multilateral development banks to learn from their experiences. Recently, the World Bank undertook a *Retrospective of Country Assistance Evaluations*. The *Retrospective* examined revisions to the World Bank's CAE methodology, process, and presentation, to determine how World Bank CAEs can be improved. The major lessons from the evaluation in preparing CAEs are:

- i) Better understanding the country context, deepening country knowledge, and better calibration of assistance programs.
- ii) Timing CAEs to ensure that they inform the preparation of the CSP and the *Annual Report on Development Effectiveness*.
- iii) Adoption of a results-based approach, which links the Bank's objectives, instruments, and outcomes achieved, as well as facilitation of the preparation of CSP com-

pletion reports.

- iv) Stakeholder participation to enhance the quality of the CAEs and acceptance of their findings.

Monitoring and Evaluation Capacity Development: (Outcome of the Regional Development Evaluation Seminar)

As part of its monitoring and evaluation capacity development efforts, OPEV, the Joint Africa Institute, and the World Bank organized a *Regional Development Evaluation Seminar* in Tunis on April 4-8, 2005. The primary objective of the seminar was to introduce key concepts, approaches, and

methodologies used in development evaluation to decision-makers engaged in PRSP activities in Africa. 43 senior officials from 25 regional member countries were in attendance. Based on survey responses, participants indicated that they had greatly benefited from the event. They had acquired new monitoring and evaluation knowledge and skills, and would recommend future seminars to colleagues and staff. Ms. Marit Wiig, Executive Director and Member of the Bank's Committee of Operations and Development Effectiveness (CODE) attended the opening ceremony. Mr. Francois Arsenault, Chairman of CODE, delivered the closing remarks, in which he shared critical aspects on the role of evaluation in the Bank's quality enhancement efforts (box 3).



Box 3.

Regional Development Evaluation Seminar: "The Role of Evaluation in the Bank's Quality Enhancement Efforts" Remarks by Mr. Francois Arsenault, Chairman, Committee of Operations and Development Effectiveness (CODE)

In his closing remarks at the *Regional Development Evaluation Seminar*, Mr. Francois Arsenault, Canadian Executive Director and Chairman, Committee of Operations and Development Effectiveness (CODE), emphasized that evaluation is all about influencing policies and decision making. He said: "There are, I think, two general aspects of evaluation that we should pay special attention to. First, the quality of evaluations, and, second, the bridges, that it should create in enhancing the quality of policy making and programming." He highlighted that the quality of evaluations within the Bank as in other development institutions is dependent on **relevance, timeliness, and credibility**.

He recognized that independence of conclusions is one of several guarantors of quality that must be demonstrated throughout the evaluation process. "Quite frankly, I appreciate and learn much more from a critical but objective evaluation report, focused on realistic corrective measures, than from an accommodating and complaisant report." He commended the Bank and OPEV for moving in the right direction, one of enhanced independence of its evaluation mandate. He further pointed out that: "The Bank has given itself a vision, the vision of becoming the Premier Financial Institution in Africa. For this to materialize, the Bank has to demonstrate what it accomplishes on the ground and through its policy dialogue with its clients and partners. Evaluations can be powerful tools for demonstrating successes, accomplishments, without mentioning the positive impact on the image of the Bank, an image of transparency that is more and more projecting."

For the evaluation community as a whole, Mr. Arsenault highlighted the need to pay more attention to identifying audiences and end users, who are more often government policy-makers, civil society, donors, taxpayers in African countries, and donor constituencies. He indicated that policy-makers needed to know more about issues that confronted them in making choices and allocating scarce resources. Evaluations needed to go beyond providing facts to providing more in-depth analyses and bringing forward better understanding of development issues. He underscored that evaluations should generate knowledge on development in Africa.

He suggested that African evaluation practitioners, including the Bank, must document experiments and experiences that explain pro-poor and pro-growth development. Evaluators must listen and ask the right questions. They must offer answers that are plausible, actionable, and politically sustainable. In his view, evaluation is a dynamic, proactive function, and its value can be assessed by how it is used by decision-makers. He concluded that reliable performance information paves the way for future governance, and that it is the Bank, and its regional member countries collective responsibility to constructively contribute to the future of the African continent.

Source: African Development Bank, Operations Evaluation Department, *Regional Development Evaluation Seminar, Summary Record of Proceedings: CODE Chairman's Remarks (2005)*.

OPEV's Private Sector Evaluation Guidelines Benchmarked against MDB Good Practice Evaluation Standards

In February 2001, the Working Group on Private Sector Evaluation (WGPSE) of the MDBs Evaluation Cooperation Group (ECG) unanimously agreed on a set of good practice standards (GPS) for evaluation of private sector investment operations. The GPS are intended to apply to investment or guarantee operations of ECG members in developing and transition countries, where there is no sovereign recourse for the MDB. Thus, the GPS apply to the operations of the International Finance Corporation (IFC), Inter-American Investment Corporation (IIC), Multilateral Investment Guarantee Agency (MIGA), the bulk of the operations of the European Bank for

Reconstruction and Development (EBRD), and smaller shares of the operations of the regional development Banks: African Development Bank (AfDB), Asian Development Bank (AsDB), and the Inter-American Development Bank (IaDB). As part of these standards, the members of the WGPSE agreed that they would "arrange for independent periodic cross-cutting assessments of the extent to which these good-practice standards are being applied in each member agency's evaluations and annual reporting, and report the findings to the MDB Presidents." The first assessment of the application of the GPS, completed in late 2002, not surprisingly found that harmonization was at an early

stage. The members' policies and practices were, on average, materially consistent with only 39% of the standards.

Based on this assessment, the Working Group agreed on a set of revised standards in May, 2003. In addition, the revised GPS created a distinction between harmonization standards-the minimum standards necessary to permit comparability of reported operational results among the MDBs, as prescribed by the Development Committee-and other standards not essential for comparability of reported results but nonetheless desirable for enhanced evaluation relevance, accountability, and learning within each institution. The revised GPS also distinguished between *good practice* standards-the key principles and practices that any development institution that finances the private sector should follow if it is to have a satisfactory evaluation

system-and *best practice* standards-practices going beyond good practice standards that are desirable but not essential. At the request of the WGPSE, an independent consultant carried out a second assessment of the member institutions' application of the revised standards, reporting on findings with respect to the good practice harmonization standards, i.e., the minimum standards necessary to permit comparability of reported operational results among the MDBs by applying a rating system based

on three (3) categories, e.g., Materially Consistent (MC); Not Consistent (NC) and Not Relevant (NR). The result of the independent assessment shows that the member institutions have made significant progress towards harmonization over the past two years as shown in table 1 below. All but one has taken steps to this end and, overall, the members' policies and practices are now materially consistent with 59% of the good practice harmonization standards (76% weighted by the value of the commit-

ments of the individual institutions). Although changes in the standards limit the validity of comparisons, the 59% compares favorably with the 39% average score in 2002. The improvements can be seen not only in the overall results but also in the changes that virtually all members have undertaken in adopting individual standards.

Table 1 : Materially Consistent Ratings, By Member

	IFC	IIC	EBRD	MIGA	AsDB	AfDB	IADB	Overall
2004 Scores	92%	82%	76%	73%	48%	38%	8%	59%
2002 Scores	93%	55%	48%	23%	33%	8%	9%	39%

Source: Second Benchmarking Review of ECG Members' Evaluation Practices (2005).

In the case of the AfDB, its score sharply increased from a low base but still met only 38% of the good practice harmonization standards as the Bank expects to put the

new guidelines into effect in 2005 and to begin reporting on findings after that. The upgraded ratings were mainly due to the new guidelines issued in early 2004. OPEV

in close consultation with the Private Sector Department is preparing a set of evaluation guidelines for lines of credit operations of the Bank.

First Biennial Conference of the International Development Evaluation Association

(An important conference that attracted a large number of evaluation practitioners)

The objectives of the three-day International Development Evaluation Association (IDEAS) conference on April 12-14 in New Delhi, were to examine the implications of new development concepts, and emerging contexts for evaluation and the broader development evaluation community. The quality of evaluations produced by development organizations is increasingly becoming a major issue. Discussions addressed new responses in evaluation methods, processes, and outcomes shaping the practice of development evaluation, with specific reference to rapid appraisal methods for evaluation of aid to post-conflict countries. Participants shared innovative experiences in evaluation methods. They examined new forms of partnerships and capacities needed to rethink, reshape, and reform develop-

ment evaluation. OPEV staff in attendance are monitoring the developments of IDEAS evaluation activities for potential collaboration in future Bank work.

Third Meeting of the Development Assistance Committee Network on Development Evaluation

(A Unique Network for the Development Evaluation Community)

The Third Meeting of the Development Assistance Committee Network on Development Evaluation (DACNE) was held on June 2-3, 2005 in Paris and OPEV was represented at the meeting. The Network is a unique body that brings together evaluation managers from Organization for Economic Cooperation and Development (OECD) agencies, and multilateral development institutions. The Network aims at improving evaluation policy and delivery by sharing good practices and collaborating on joint studies and multi-donor evaluations. It meets every nine months at the OECD headquarters in Paris. The longstanding cooperation among members has resulted

in common evaluation guidelines and a glossary of terms that has helped harmonize evaluation concepts and practices. The current work program of the network includes a joint evaluation of general budget support and a study on aid effectiveness.

Agenda items for the two-day meeting included: progress report on the ongoing joint evaluation work on evaluating aid effectiveness and general budget support; sharing of experiences on impact evaluations; case studies from the World Bank; applying mutual accountability in practice, presentation by OECD; recent activities in evaluation capacity building, reports and presentations by the Japanese International Cooperation Agency, and AfDB on the Development Evaluation Seminar; and a discussion on setting standards for evaluation practice. The Network is currently developing the DAC evaluation website that will contain useful information of evaluation work done by all members. The June meeting brought a record number of participants, over seventy from bilateral and multilateral agencies.



Recent World Bank Evaluations

2005 Annual Review of Development Effectiveness

(attracted the attention of reviewers including Financial Times)

The 2005 *Annual Review of Development Effectiveness* (ARDE) was issued last month and this year's theme is the World Bank's contributions to poverty reduction. The review examined the growth and poverty reduction strategy of the Bank and assessed the Bank's contribution. It notes that the two-pillar model of the Bank's poverty reduction strategy that of growth and social aspects of poverty reduction "may have inadvertently downplayed the role of certain sectors such as infrastructure, rural and urban development, whose activities cut across and complement economic growth, empowerment, and service delivery". It further noted that linking the Bank's country-level interventions to poverty reduction will require a sharper results focus. The Bank's monitoring and evaluation framework is not sufficiently poverty focused, and weak capacity for monitoring results on poverty reduction adds to challenges the Bank faces in selecting activities with the highest payoff. Monitoring of results on poverty reduction remains weak in PRSPs.

The 2005 ARDE also found that the World Bank has refocused its mission and corporate strategy to help contribute to poverty reduction, and has rightly adopted a multi-dimensional approach to poverty that is broader than just income. The evaluation recommended that the World Bank should further elaborate its business models (Poverty Reduction Strategy Papers, Low-Income Countries Under Stress, and Middle-Income Countries) and make them more fully consistent with poverty reduction in various country settings. Its link to poverty reduction interventions at the country-level requires a sharper results focus and its global programs should be more explicitly linked to poverty reduction. The evaluation concludes that the World

Bank needs to devote more attention to growth and its interaction with the social aspects of poverty reduction. It needs to assess the impact of the Bank's work on governance, harness the links between governance and investment climate, and better demonstrate the poverty impact of its interventions better aiming at empowerment and human development.

In response to the findings on the social aspects of poverty reduction, OPEV plans to undertake reviews of AfDB's interventions in the social sectors addressing specific AfDB issues. The results from these evaluations will be shared with the World Bank in due course.

World Bank Evaluation on Capacity Building in Africa

The main findings that emerged from the World Bank evaluation on *Capacity Building in Africa*, concern the following: (i) changes in the World Bank's service delivery approach have made the World Bank's capacity building support more relevant; (ii) most capacity support remains fragmented; (iii) sector-specific capacity building strategies need strengthening; (iv) tools and instruments could be more effectively and fully utilized; and (v) quality assurance is inadequate. The findings from the evaluation underscored the importance of treating capacity building in Africa as a core objective and ensuring that World Bank support is country-owned, results-oriented, and evidence-based.

The evaluation recommended that the Bank, at the corporate level, should strengthen its knowledge base and amplify its capacity building framework to help countries prioritize capacity building activities and guide donor support; link institutional, organizational, and human capacity developments; and transform traditional capacity building tools to improve results. The World Bank should ensure that guidelines and processes are in place for self- and independent evaluation of Bank interventions. Sector and thematic leadership should develop sector-specific guidance on diagnosing public sector capacity needs, enhancing incentives for sector performance improve-

ments, and monitoring and evaluating interventions. Regional senior management should ensure that Country Assistance Strategy processes are used effectively to help countries identify and strengthen the capacities they need to plan, implement, and measure the results of their poverty reduction strategies. They should also ensure that all operations aim to build public sector capacity based on adequate assessments of capacity needs and have ways to monitor and evaluate results. The evaluation concluded that the World Bank should reassess what role training should play in its capacity building support, how it should be provided, and what should be the respective role(s) of a central training unit and regional programs in future support.

Good Practices for the Evaluation of Policy-Based Lending

(Reference Material for Country Economists)

In response to a request issued in 2002 by the Evaluation Cooperation Group (ECG) to take stock of practices used to evaluate policy-based lending operations (PBLs), the *Good Practices for the Evaluation of Policy-Based Lending* was prepared by the Asian Development Bank on behalf of the Evaluation Cooperation Group consisting of members of Multilateral Development Banks (MDBs). The document establishes "...criteria and forms of analysis that have been implemented successfully in evaluation". It is an impressive piece of work that practitioners of PBL evaluation, country economists, and evaluation scholars should read. One important feature of the evaluation lies in the comparison of PBL operations among various MDBs. The document also provides a comparison of MDB/PBL operations with the International Monetary Fund's Poverty Reduction and Growth Facility (PRGF). OPEV is undertaking a new review of PBL operations, following the last review undertaken in 1997 that covered the 1986 to 1997 reporting period.

Forthcoming OPEV Evaluation Products Third Quarter, 2005

Evaluation Products and Contacts
<i>Corporate and Process Evaluations:</i>
Country Portfolio Reviews (2000-2004) Mohamed Manai : m.manai@afdb.org;/ Anhanasius Coker : a.coker@afdb.org
Report on the Independence of the Evaluation Function Mohamed Manai : m.manai@afdb.org
Review of Country Strategy Papers (2002-2004) Eric N'Diaye at : a.e.ndiaye@afdb.org
Review of Loan Cancellation Practices Athanasius Coker : a.coker@afdb.org
Review of PBL operations Eric N'Diaye : a.e.ndiaye@afdb.org
<i>Country Assistance Evaluations:</i>
Ethiopia Foday Turay : f.turay@afdb.org
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Morocco Herimandimby Razafindramanana : h.razafindramanana@afdb.org
<i>Sector/Thematic Evaluations:</i>
Health Sector Review Albert-Eneas Gakusi : a.gakusi@AfdB.org
<i>Knowledge and Monitoring and Evaluation Capacity Development (M&ECD):</i>
Knowledge and Monitoring and Evaluation Capacity Development (M&ECD) Patricia N. Laverley : p.laverley@AfdB.org

Some Useful Development Evaluation Websites

African Evaluation Association (AfrEA): <http://www.afrea.org/>

Evaluation Cooperation Group (ECG): <http://www.ecgnet.org/>

OECD Development Assistance Committee (DAC) Evaluation Inventory: <http://www.dac-evaluations-cad.org/>

International Development Evaluation Association (IDEAS): <http://www.ideas-int.org/>

Endnotes

¹The members of the WGPSE comprise AfDB, AsDB, EBRD, EIB, IFC, IADB, IIC and MIGA. The members of the ECG comprise AfDB, AsDB, EBRD, EIB, IADB Group, IMF, and WBG.

²See ADB/BD/WP/2004/12 of 13 February 2004.



OPEV Sharing

OPEV Sharing is a quarterly publication of the Operations Evaluation Department of the African Development Bank. It reports on findings, lessons, and recommendations from OPEV's evaluations and on major evaluation activities. OPEV offers free access to its website and database in English and French. Visit OPEV at: <http://www.afdb.org/opev>.

OPEV also welcomes inquiries and feedback on its evaluation activities. E-mail: OPEV@afdb.org; Telephone: +216-71-102-841; Fax: +216-71-830-636; Address: Operations Evaluation Department, African Development Bank, Temporary Relocation Agency, Angle de l'avenue du Ghana et des rues Pierre de Coubertin, Hedi Nouria, BP 323-1002, Tunis, Tunisia.

The views expressed in this publication are those of OPEV staff and should not be attributed to the official position of the African Development Bank Group, its Executive Board, or its regional member countries.