

AN ASSESSMENT OF THE EVALUATION  
SYSTEM OF THE AFRICAN  
DEVELOPMENT BANK GROUP

Submitted To:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Under Contract No. AID/SOD/PDC-C-0394

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July 20, 1982

## TABLE OF CONTENTS

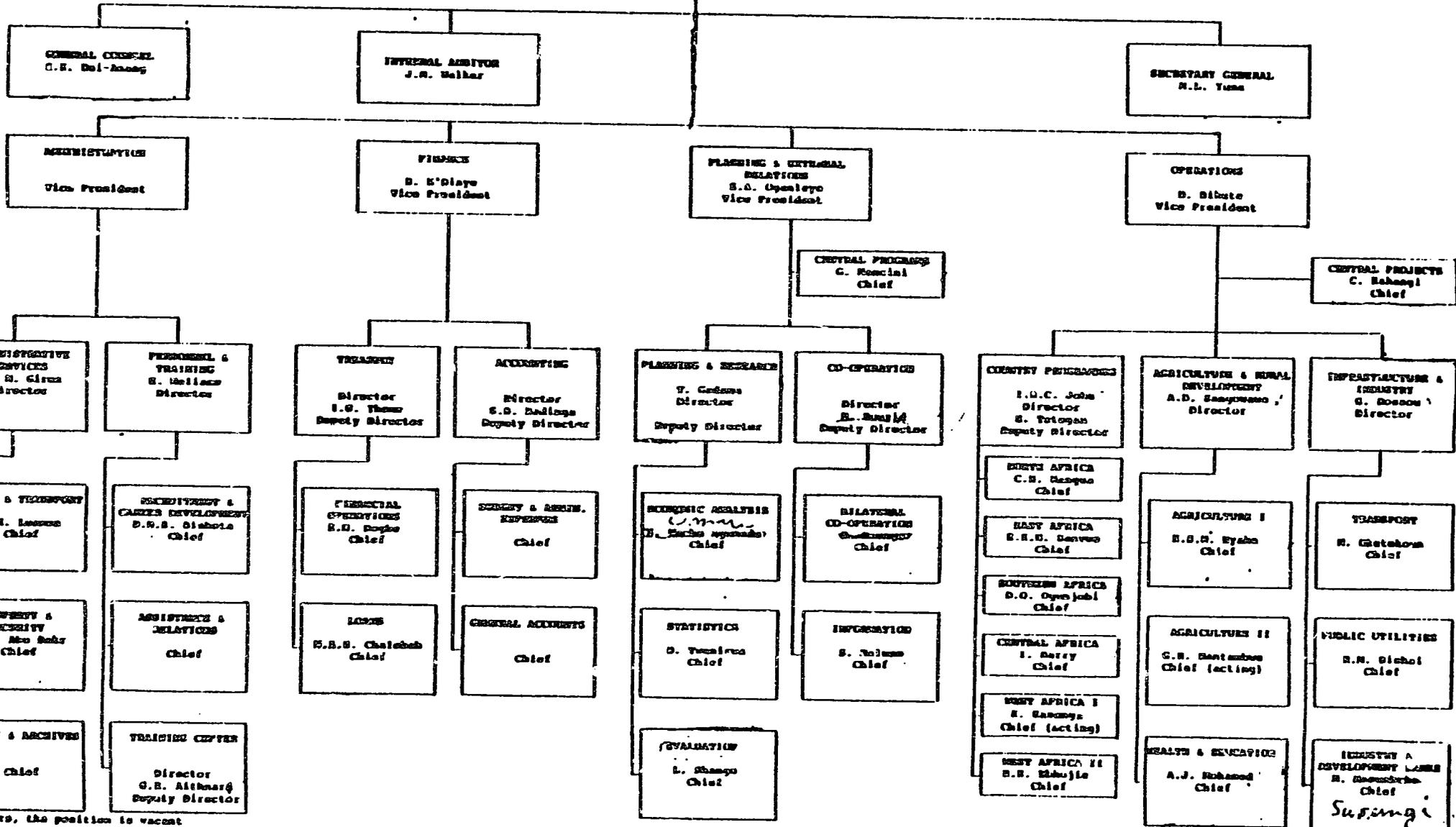
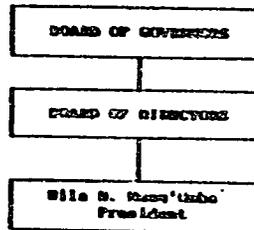
	<u>Page</u>
Organization Chart of the African Development Bank . . . . .	iv
Preface. . . . .	v
EXECUTIVE SUMMARY . . . . .	vii
I. EVALUATION CONCEPTS AND PRACTICES. . . . .	1
A. Definition and Purpose of Evaluation. . . . .	1
B. Organizing to Evaluate and Use the Results . . . . .	2
1. Location of the Evaluation Function . . . . .	3
2. Obtaining Good Evaluations. . . . .	3
3. Integrating Evaluation with Other Operational and Staff Functions . . . . .	4
II. EVALUATION IN THE AFRICAN DEVELOPMENT BANK . . . . .	7
A. Organizational Structure and Responsibilities. . . . .	7
B. Evaluation Activity and Plans. . . . .	9
1. Ex-Post Evaluation. . . . .	9
2. Other Evaluation Activities . . . . .	14
C. The Evaluation Process . . . . .	14
1. Developing an Evaluation Plan . . . . .	14
2. Clearance and Distribution of Evaluation Reports. . . . .	15
III. ASSESSMENT OF ADB EVALUATION SYSTEM AND RECOM- MENDATIONS FOR IMPROVING IT . . . . .	16
A. Importance of Evaluation to ADB. . . . .	16
B. A More Comprehensive Approach to Project Evaluation. . . . .	17
C. Preconditions to Effective Evaluation. . . . .	19
D. Evaluation and Borrower Countries. . . . .	20
E. Organizational Responsibilities. . . . .	22
F. Accelerated Training Program . . . . .	24
G. Processing Evaluation Plans and Evaluation Reports . . . . .	25
IV. IMPLEMENTATION OF RECOMMENDATIONS. . . . .	28
A. Central Projects Service. . . . .	28
B. Evaluation Division . . . . .	32
ANNEXES . . . . .	34
I. Resume of James L. Roush	
II. List of Persons Interviewed	
III. Bibliography	
IV. The Evaluation Function in the World Bank	
V. Job Description for the Post of Evaluation Expert	

- VI. Central Evaluation Unit -- Suggested 1983 Priorities and Staffing
- VII. Job Description for the Post of Director General for Evaluation
- VIII. Draft Administrative Memorandum Concerning Functions and Responsibilities of the Central Evaluation Unit

AFRICAN DEVELOPMENT BANK ORGANIZATION

JULY 31, 1961

Best Available Document



None appears, the position is vacant

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## PREFACE

In January 1982 the Director of the Cooperation Department requested the Regional Economic Development Services Office (REDSO) of the United States Agency for International Development (USAID) to provide the services of a short-term expert to:

"examine, develop and analyse the evaluation needs within the five-year (1982-86) operational programme."

USAID/Washington issued a work order to one of its indefinite quantity contractors, Development Associates, Inc., to provide the services of the author of this report, James L. ROUSH (resume attached as Annex I). The above scope of work was elaborated by USAID/Washington as follows:

### In Washington

The contractor will gather information on evaluation programs from A.I.D., World Bank and other international agencies, including training activities and information on storage, access and utilization of evaluative data. The contractor will analyse the information obtained in terms of applicability to the evaluation program of the African Development Bank (ADB).

### In Abidjan

1. Analyse the present evaluation program of the ADB, determine its strengths and weaknesses, its relevance to the ADB and to the needs of borrower states and consider how the evaluation program might be improved.
2. Delineate a proposed program which would strengthen the evaluation program of ADB.

The Evaluation Division (PEVA) provided the following terms of reference as elaboration of Item 1 of the above scope of work:

1. To examine the interpretation of the "Administrative Reorganization of the Bank, November 1980" with special reference to relevant sections and paragraphs establishing the Evaluation Division. In particular, to examine PEVA's interpretation of its mandate as contained in the document "Role of the Evaluation Division: Functions and Responsibilities."

2. To review the current Medium Work Programme (1981-83) of the Evaluation Division with special reference to the status of studies initiated in 1980, 1981, and 1982.
3. To examine the current mechanism for preparing evaluation studies, with special reference to the need to expedite finalisation of reports and to enhance their intended utilization.
4. To examine the appropriateness of the locational and organizational structure of the ADB Group evaluation system.
5. To examine and suggest appropriate staffing and training needs for the ADB evaluation system.
6. To propose approaches and a mechanism for the periodic assessment of the evaluation system in order to assure that it is continually responsive to the growing volume and complexity of the ADB Group's lending activity.

Mr. ROUSH began work in Washington, D.C. on 5th May 1982 and arrived in Abidjan on 12th May. He departed 5th June, leaving behind a draft report for review within the bank. He returned to Abidjan July 4 for one week to obtain bank comments. The final report was prepared in the U.S.

A list of persons contacted is provided as Annex II. See Annex III for a list of documents and publications reviewed as a part of this study. Some publications were brought from Washington and provided to PEVA; these are noted by asterisks in Annex III.

## EXECUTIVE SUMMARY

### Introduction

In January 1982 the Director of the Cooperation Department requested the Regional Economic Development Services Office (REDSO) of the United States Agency for International Development (USAID) to provide the services of a short-term expert to:

"examine, develop and analyse the evaluation needs within the five-year (1982-86) operational program".

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A list of persons contacted is provided as Annex II. See Annex III for a list of documents and publications reviewed as a part of this study.

### Evaluation Concepts and Practices

The term "evaluation" is used in this report to denote the analysis of ongoing or completed activities and projects carried out as part of the Bank Group's lending program; it excludes pre-project analysis which is referred to herein as project appraisal. Evaluation is defined as:

"A retrospective analysis of the Bank Group's lending activity to see if stated objectives have been achieved or are likely to be achieved, to determine how and why deviations from plans occurred, and to present the lessons learned from both positive and negative experiences in a usable form to the officials of the organization who are responsible for policy formulation, program planning and program execution."

In terms of timing, there are four categories of evaluation:

- i) Interim evaluation: an analysis of a project during implementation designed to review the basic design of the project, the assumptions about factors external to the project which affect its successful implementation, and implementation progress against plans.
- ii) Terminal evaluation: an analysis of the project upon completion, e.g., within six months of final disbursement.
- iii) Ex post evaluation: this refers to a retrospective examination of a project some time after its completion to identify operationally useful lessons in relation to the choice, design, and/or implementation of projects.
- iv) Special evaluation: an ad hoc evaluation, usually unrelated to the project cycle. Such evaluation might include:
  - a) an analysis of implementation problems of a type of project that appears to be especially slow-disbursing;
  - b) a review of the implementation and/or impact of a number of projects in the same country; or
  - c) a retrospective examination of program issues which are not country specific such as the role of agricultural credit in rural development, the effects of price policies on agricultural production, etc.

Evaluation should be decision-driven, i.e., evaluation should be undertaken in response to a need, or an anticipated need, for a decision or for formulation of plans, programs, or policies. Therefore, the responsibility for evaluation should be placed, functionally and organizationally, as close as possible to the user, i.e., the feedback loop should be as small as possible.

The current practice in a number of developmental finance organizations is to place evaluation responsibilities in two different locations in the organization. Operational type evaluations (e.g., interim evaluations of individual projects and terminal evaluations in the form of project completion reports) are undertaken by the operating department(s) of the institution. The responsibility for ex post and special evaluations and the monitoring of the efficiency and effectiveness of the evaluation system is located in an independent office reporting directly to the Board of Directors or the President of the organization.

The following are probably the most important factors contributing to a high level of effectiveness in an evaluation unit:

- i) Management shows that it considers evaluation of high priority;
- ii) Evaluation concepts are integrated into the thought processes of personnel throughout the organization, especially in the design of projects;
- iii) Evaluation training is provided for evaluation personnel and project designers, and orientation short courses are provided for program managers.

Evaluation should have a positive interaction with other operational and staff functions, e.g., program planning, project identification and selection, project design/appraisal, project monitoring/supervision and auditing.

#### Evaluation Activity in ADB

Evaluation activity in ADB to date has been almost exclusively ex post in nature. It was initiated by the Policy Planning and Development department in late 1977. Activity was increased by the establishment of the Evaluation Division in the administrative re-organization of December, 1980. As of May 1982, 15 studies were in various stages of completion, but none had been submitted to the Board. This is due in large part to the clearance process to which the reports are subjected and the difficulty of arranging the convening of the Planning and Programming Committee.

Terminal evaluations, in the form of Project Completion Reports (PCRs), are recognized in current documentation, but primarily in the sense of inputs to the ex post evaluation function. Although Bank documentation indicates that the Projects departments should be responsible for preparing PCRs, there is no formal assignment of the function to the Vice-President for Operations. No PCRs have been prepared.

Evaluation planning has not had the benefit of significant inputs from Operations departments or top management. A 1981-83 medium term work program and a 1982

work program were prepared by PEVA and approved by the Director of Planning and Research. Comments on the plans were not solicited from the Operations departments; nor were the plans distributed to those departments. Comment or approval was not sought from the President or the Board of Directors; nor were the plans sent to them for information.

#### Assessment of ADB Evaluation System and Recommendations for Improving It

Evaluation concepts need to be instilled throughout the Bank. Policies, procedures and actions should be reviewed periodically to ensure their continual relevance and to determine if the state of the art has progressed sufficiently to suggest more effective or more efficient policies or procedures for the Bank's operations. Some aspects of the Bank's operations should be reviewed by a central evaluation office, but most evaluation can and should be carried on by the individual operating and staff units of the Bank. Management is urged to demonstrate its recognition of the potential importance of evaluation to the steady improvement of the efficiency and effectiveness of the Bank's operations by requiring that all departments of the Bank include in their annual work program an evaluation work plan and (in subsequent years) a status report on actions taken to implement the work plan and to utilize evaluation findings.

As indicated in the operational program for 1982-1986, the Bank is not satisfied with its procedures for identifying, appraising and monitoring the implementation of projects financed by the Bank and Fund. In addition, the Bank and Fund are shifting their lending priorities from infrastructure (transport, telecommunications, power) to agricultural production, rural development and social projects (education and health), and the Bank is having difficulty in carrying out projects in these sectors. There is need for more immediate feedback into the Bank's procedures for processing of such projects than is possible from the ex post evaluation program.

To overcome the foregoing problems, the Bank should undertake some interim evaluations and complete the process of requiring terminal evaluations (completion of PCRs) of all projects. Concurrently with the foregoing, special evaluations should be given higher priority. These could focus on special

procedural problems identified in the project processing system or on special implementation problems, e.g., slow start-up, slow disbursing, requests for supplemental funding, delayed terminations, etc.

#### RECOMMENDATION NO. 1

That the Bank establish a more comprehensive project evaluation system involving interim, terminal, ex post, and special evaluations.

#### RECOMMENDATION NO. 2

That the Bank give priority in its evaluation program during the next two years to interim, terminal, and special evaluations and that the evaluation effort focus on the sectors of agricultural production and rural development, health, education and water supply and sewerage.

Experience indicates that it is generally impossible to obtain satisfactory evaluation results if the designer of a project was not thinking evaluation. Thus, the Evaluation Division has found it very difficult to undertake some evaluations because the objectives and anticipated impact of the project were not spelled out and/or the designer did not think about what information would be necessary to measure impact or other anticipated results.

Another problem cited both by the evaluators and auditors of Bank/Fund projects is the weakness of the project implementation plans. The plans usually only cover the initial pre-project implementation actions such as fulfilling conditions precedent, issuing terms of reference, signing contracts. There is often minimal information to back up expenditure projections. This lack of information hampers project implementation, project supervision, and project evaluation - as well as auditing.

A good evaluation methodology can strengthen project design and appraisal as well as facilitate evaluation. One of the most versatile methodologies is the "logical framework". It was developed in the early 1970s and has been adopted and adapted by various United Nations organizations, the Asian Development Bank, Latin American development organizations, the Canadian and American international

development agencies and other bilateral assistance donors. The logical framework is an excellent tool for project design as well as appraisal and evaluation.

A complementary methodology to the logical framework is networking. Networking involves the preparation of an implementation plan which establishes a time frame for the principal implementation actions and indicates their sequencing and inter-relationship. Only by the use of some type of networking is it feasible to arrive at a realistic implementation plan - and hence prepare a reasonably reliable project budget and expenditure plan.

#### RECOMMENDATION NO. 3

That the Bank Group adopt the logical framework methodology and require that logical framework charts be included in all project appraisal documents.

#### RECOMMENDATION NO. 4

That the Bank Group require a more adequate implementation plan in appraisal documents, including as a minimum a simplified PERT chart showing the sequencing of the principal actions needed to achieve project outputs and project objective and the estimated time required to complete the actions.

Loan agreements need to provide specifically for evaluation of projects by the Bank/Fund. At the moment, some do but not all. During project appraisal, Loan or Project Officers should work out with borrower officials whether an interim evaluation seems called for and, if so, to decide at what point in the life of the project such an evaluation should take place. This would then be put in the project implementation plan and also set forth in the loan agreement.

#### RECOMMENDATION NO. 5

That Bank/Fund loan agreements make specific provisions for evaluation of projects they finance. Further, that they include an evaluation plan if interim evaluation is deemed necessary.

Loan appraisal documents should focus on evaluation even if no interim evaluation is planned. At the time of appraisal, a decision needs to be made as to how the project will be evaluated upon completion and possibly ex post. It is the time to answer such questions: "Should the collection of baseline data be built into the project? Are covenants needed to insure that the borrower will have, and will make available, the information that will be needed by the evaluators?"

#### RECOMMENDATION NO. 6

That Bank/Fund appraisal documents include a section on evaluation indicating whether and when an interim evaluation is planned, specifying the information needed for terminal and ex post (interim if applicable) evaluations, and indicating how and when such information should be obtained.

A number of international development agencies encourage joint evaluations - joint borrower and lender. Borrower participation serves to increase the realism of the evaluation. It also may serve as on-the-job training for local evaluators.

#### RECOMMENDATION NO. 7

That the Bank develop additional information about the capabilities of borrower countries' evaluation units, attempt to involve borrowers or borrower governments in Bank/Fund evaluations, and include borrower government personnel in Bank-sponsored training in project design and evaluation.

A basic principle in evaluation is that the evaluators should be located as close as possible to those who would take action on the evaluation findings. In the case of the ADB, this suggests that interim evaluations of individual projects and terminal evaluations (PCRs) should be the responsibility of the Vice-President for Operations, and the responsibility for ex-post and special evaluations, as well as the overall monitoring of the evaluation system, should be the responsibility of a central unit reporting to the President or the Board of Directors.

The central evaluation unit should have a degree of independence similar to the internal audit unit in order to ensure the requisite level of objectivity and candor. The positioning of the central evaluation unit so its chief would report to the President would be consistent with the administrative reorganization of 1980 which provided that the Management Committee, chaired by the President, would consider "Audit and Retrospective Evaluation Reports" and provided for the Internal Auditor to report to the President.

#### RECOMMENDATION NO. 8

That a central evaluation unit be established under a Director General for Evaluation (or other appropriate title) reporting to the President of ADB. The unit would absorb the present Evaluation Division.

#### RECOMMENDATION NO. 9

That a unit to do interim and terminal evaluations be established in the office of the Vice President for Operations, either as a separate unit or attached to Central Project Service.

Implementation of the principal action recommendations herein will be effective only if ADB mounts an accelerated training program emphasizing:

1. Evaluation concepts and practices;
2. Use of the logical framework in project design, appraisal, and evaluation;  
and
3. Use of networking in project design, appraisal, and supervision.

Over the long run, courses on these subjects should be given periodically for new employees and for member country personnel. In the short run, however, there should be almost continuous courses available in French and English. There should be orientation seminars for managers as well as practical workshops for project officers, loan officers, evaluation officers, etc., using practical exercises. A technical assistance contractor could be used to initiate the training expeditiously, to train ADB trainers and to help develop curricula increasingly ADB-specific using case materials from evaluations of projects funded by ADB and ADF.

RECOMMENDATION NO. 10

That ADB undertake an accelerated training program in evaluation concepts and practices, use of the logical framework, and networking.

The evaluation programs and the plans for individual evaluations which have been prepared by the Evaluation Division have suffered from too little input from the Operations departments and virtually no input from top management. On the other hand, the Division's evaluation reports have been subjected to a torturous review process which almost guarantees that the value of the conclusions and recommendations in the final report will be reduced. Even if they are not watered down, they likely will have lost their punch with the passage of time.

Departmental and other unit evaluation plans should, after appropriate clearance, be reviewed by senior management (at least Vice-President level). Annual programs of project evaluation should be presented for review by the President and the Board as a part of the annual budget presentation. The Vice-President for Operations would prepare an annual program for interim and terminal evaluations, which should be cleared by the Director General for Evaluation or be accompanied by his/her comments. In like manner, the Director General for Evaluation should consult with the various departments (especially Operations and Planning and Cooperation) and with the Internal Auditor in the preparation of the evaluation program for the central evaluation unit - covering ex post and special evaluations.

After passing "peer review", draft evaluation reports should be distributed for comment. All recipients should be encouraged to provide written comments within a specific period of time, e.g., three weeks. The report should then be finalized and presented to the President and the Board. Formal meetings on the report by the regular committees of ADB should be held after its issuance to discuss the findings and to determine what actions should be taken to implement the recommendations.

RECOMMENDATION NO. 11

That the present procedure for the clearance of evaluation reports be changed to that followed for audit reports.

## Implementation of Recommendations

During the review of the draft report, a number of Bank personnel suggested that the final report should give some indication of priorities among the recommendations and provide suggestions for their implementation. A table listing the recommendations and proposing initiating, clearing and approving offices is provided as the second page of Chapter IV. The initiation of implementation action is generally expected to be the responsibility of the Central Projects Service in the office of the Vice-President for Operations or the Evaluation Division in the Planning and Research Department. Detailed implementation suggestions for those offices are provided in the balance of Chapter IV. Annexes V to VIII provide some draft formats and more detailed suggestions.

## I. EVALUATION CONCEPTS AND PRACTICES

### A. Definition and Purpose of Evaluation

The term "evaluation" is used in this report to denote the analysis of ongoing or completed activities and projects carried out as part of the Bank Group's lending program; it excludes pre-project analysis which is referred to herein as project appraisal. Evaluation is defined as:

"A retrospective analysis of the Bank Group's lending activity to see if stated objectives have been achieved or are likely to be achieved, to determine how and why deviations from plans occurred, and to present the lessons learned from both positive and negative experiences in a usable form to the officials of the organization who are responsible for policy formulation, program planning and program execution."

The foregoing definition implies the ability of the evaluation unit(s) to review individual projects<sup>1/</sup> or clusters of projects. It also implies the review of the system (organization and procedures) by which the Bank identifies, selects, appraises, approves, negotiates, implements, monitors/supervises, and evaluates projects.

In terms of timing, there are four categories of evaluation:

- 1) Interim evaluation: an analysis of a project during implementation. Such an evaluation is designed to review the basic design of the project, the assumptions about factors external to the project which affects its successful implementation, and implementation progress against plans. The results of the evaluation may suggest cancellation of the project, re-design of the project, or changes in the project implementation agent or supervisor. It may also provide useful information for the planning of new projects.

<sup>1/</sup> Projects should be interpreted to include studies and program loans, and any other activity that the Bank Group might eventually undertake as a part of its program assistance to regional member states.

- 2) Terminal evaluation: an analysis of the project upon completion, e.g., within six months of final disbursement. Such an evaluation can suggest ways of improving project design, project appraisal, project implementation, and project supervision. In addition, it can indicate if and when an ex-post or impact evaluation should be scheduled.
- 3) Ex-post evaluation: this refers to a retrospective examination of a project some time after its completion. The amount of time would depend upon how much time was considered necessary for the completed project to have had a measurable impact upon the country, a specific community, a designated organization, etc. The objective of this type of evaluation is to identify operationally useful lessons in relation to the choice, design, and/or implementation of projects.
- 4) Special evaluation: an ad hoc evaluation, usually unrelated to the project cycle. Such evaluation might include:
  - a) an analysis of implementation problems of a type of project that appears to be especially slow-disbursing;
  - b) a review of the implementation and/or impact of a number of projects in the same country; or
  - c) a retrospective examination of program issues which are not country specific such as the role of agricultural credit in rural development, the effects of price policies on agricultural production, etc. Such evaluations especially would draw on the documented experience of other international agencies.

#### B. Organizing to Evaluate and to Use the Results

A review of the evolution of the evaluation function in the principal international development agencies suggests some general principles regarding

the location of evaluation unit(s), achieving good evaluation results, and increasing the chances for effective utilization of evaluation findings and recommendations.

### 1. Location of the Evaluation Function

Evaluation should be decision-driven, i.e., evaluation should be undertaken in response to a need, or anticipated need, for a decision or for formulation of plans, programs, or policies. Therefore, the responsibility for evaluation should be placed, functionally and organizationally, as close as possible to the user, i.e., the feedback loop should be as small as possible.

The current practice in a number of developmental finance organizations is to place evaluation responsibilities in two different locations in the organization. Operational type evaluation (e.g., interim evaluations of individual projects and terminal evaluations in the form of project completion reports) are undertaken by the operating department(s) of the institution. The responsibility for ex-post and special evaluations and the monitoring of the efficiency and effectiveness of the evaluation system is located in an independent office reporting directly to the Board of Directors or the President of the organization. This evolution reflects the increasing insistence of both contributors to, and borrowers from, developmental financial institutions that high standards of objectivity and candor be maintained in ex-post and special evaluations.

A review of the World Bank's evaluation system can offer ideas for the long term development of ADB's system. For reference purposes, a profile of the evaluation function of the World Bank is included as Annex IV.

### 2. Obtaining Good Evaluations

The following are probably the most important factors contributing to a high level of effectiveness in an evaluation unit:

a. Management shows that it considers evaluation of high priority by:

- Selecting a highly qualified leader for the unit who is respected for his/her integrity and managerial effectiveness and have him/her report directly to top management.
  - Staffing the unit with a multi-disciplined group of experienced personnel with proven analytical skills. A balance between research-oriented and action-oriented personnel will be needed.
  - Encouraging the leader of the evaluation unit to participate in policy meetings so the leader can insure that the evaluation unit is responding to, and hopefully anticipating, management's needs.
  - Providing the unit with adequate resources.
  - Insuring that evaluation results are integrated into policy formulation and operational decisions and procedures.
- b. Evaluation concepts are integrated into the thought processes of personnel throughout the organization, especially in the design of projects. The lack of explicitness and rigor of analysis of the logical framework of a project is a major limiting constraint to achieving meaningful and useful evaluation results.
- c. Evaluation training is provided for evaluation personnel and project designers, and orientation short courses provided for program managers.

3. Integrating Evaluation with Other Operational and Staff Functions

a. Program planning

ADB's forward planning, either in terms of sector or country focus, can provide guidance to the evaluation unit on types of evaluations to undertake and sectors to evaluate. Evaluation findings should be incorporated into the analysis leading to the planning of lending programs.

b. Project identification and selection

Those responsible for selecting new projects should be aware of evaluation findings. Such findings might indicate that the Bank/Fund should stop financing certain types of projects, either in general or

in specific countries -- at least until new methodologies or technologies are developed or certain country environmental conditions change (organizational, balance of payments, budgetary, etc.)

c. Project design/appraisal

Project design often is critical to the successful implementation of a project. The presentation of the project in an appraisal document is also critical to insuring that the project can be fairly evaluated and relevant conclusions drawn from the experience.

The key element both in project design and evaluation is the establishment of a logical framework for the project. The logical framework assists the designer to structure the project design in the following manner:

- To define a causal hierarchy of project inputs, outputs, purpose and sector goal in measurable and objectively verifiable terms.
- To hypothesize the causal (means-end) linkages between inputs, outputs, purpose, and goal.
- To articulate the assumptions about external influences and factors which will affect the causal linkages.
- To establish in advance the objectively verifiable progress indicators which will permit subsequent measurement or verification of achievement, separately and independently of the defined outputs, purpose, and goal.

d. Project monitoring/supervision

Project monitoring/supervision and evaluation are interdependent and necessarily somewhat overlapping. Sometimes the monitor and the evaluator may be the same person, e.g., in an interim evaluation of an on-going project or in the preparation of a project completion report (terminal evaluation). However, there are clear differences in the two functions.

Implementation Monitoring

Keeps track of daily activities

Accepts policies, rules

Works toward targets

Stresses conversion of input to outputs

Concentrates on planned project elements

Reports progress

Project Evaluation

Takes the long range view

Questions pertinence of policies and procedures

Measures progress and asks whether targets are appropriate

Emphasizes achievement of purpose

Assesses planned elements and

\*Looks for unplanned change

\*Searches for causes

\*Challenges assumptions

Records lessons learned.

e. Auditing

Auditors usually focus on financial transactions, compliance with standards and procedures, the integrity and performance of management, the consistency of projects to policy, and project results in terms of stated objectives. Evaluators will also review project results but in addition, they will evaluate the developmental impact of programs and projects and assess the possibility of utilizing alternate approaches to solve developmental problems. Audit reports often provide useful evaluative data and may call for an evaluation. Evaluations sometimes reveal the need for an audit.

## II. EVALUATION IN THE AFRICAN DEVELOPMENT BANK

### A. Organizational Structure and Responsibilities

The need for evaluation of lending activities of the Bank was implicitly recognized in the agreement establishing the Bank. Article 17.1.h. of the operational principles provides that the Bank should ensure that loans or guarantees are used "only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency;". The agreement establishing the Fund includes a similar condition and adds Article 17 specifically on review and evaluation of completed projects. Nevertheless, the Bank was slow in establishing an evaluation program.

The project evaluation function was vested within the Policy Planning Division of the Department of Policy Planning and Development as a result of the Administrative Instructions issued by the President on 28 March 1977. The functions of the Division were described inter-alia as being to:

"Examine completed projects in order to determine the extent to which the intended benefits to a given economy are being realized, and whether there is any need to review or change methodology or approaches." (p. 7, para. 7.05)

In the re-organization of the Bank in December 1980, the present Evaluation Division (PEVA) was established as a part of the Department of Planning and Research (see ADB organization chart at the beginning of this report). The function of PEVA as set out in the document "Administrative Re-Organization of the Bank" was to deal:

principally with the post evaluation of projects and with the evaluation of the Bank's operational activities."

Annex 6 of the foregoing document amplified the departmental functions, two of which clearly pertain to the Evaluation Division:

- To examine and assess the results and impacts of projects implemented with funds provided by the Bank and its affiliates; to submit post evaluation reports. These reports must reflect the following elements:
  - i) To make clear comparison between the original targets of the project (at appraisal) and the actual results.
  - ii) To analyse factors that contributed to the success or failure of the projects. To give specific recommendations designed to increase the effectiveness of future Bank Group interventions.
  - iii) To assess the socio-economic impact of the project in terms of benefits to the economy as a whole, both direct and indirect.
  - iv) To assess the impact of the Bank Group in these projects.
- To contribute actively in the finalization of reports on project appraisal and on fully implemented projects in as far as general developmental problems are concerned.

The President's Memorandum of 30 March 1982 to the Board of Directors of the Fund (ADF/BD/82/42), subject: Operational Programme for the Period 1982-1986, provided some additional guidance on the role of PEVA and on the completion of Project Completion Reports (PCRs):

"The following measures should be undertaken to strengthen project and non-project related functions of the (Evaluation) Division:

- i) Programmes of post-evaluation studies should be formulated on the basis of clearly set out criteria for the selection of projects for post evaluation.
- ii) In order to ensure a rationale selection of the projects, the operational departments concerned should be closely involved from the outset.
- iii) In order to facilitate the work of post-evaluation, project completion reports should be prepared by operating departments in respect of all completed projects, and such reports should constitute an essential pre-requisite for all post-evaluation studies.
- iv) Completed post evaluation studies and recommendations thereof should be examined by the Boards of Directors. The implementation of adopted recommendations should be closely monitored and periodic reports submitted to management on such implementation."

## B. Evaluation Activity and Plans

### 1. Ex-Post Evaluation

Post-evaluation work commenced by the Policy Planning and Development Department in late 1977. By mid-1979, three separate projects had been evaluated. These were as follows:

- i) Project for the Development of Four Irrigation Zones in the Medjerda Valley, Tunisia (December 1977).
- ii) Construction of Transmission Lines and other elements of the Development Programme of the Electricity Supply Commission Malawi (September 1978).
- iii) Societe Ivoirienne d'Engrais (SIVENG), Abidjan, Ivory Coast. (draft)

In early November 1979, three economists on the staff of the department were assigned to work on evaluation on a regular basis with an expert from the Harvard Institute of International Development (HIID) financed from technical assistance. During 1980, the following draft reports were produced:

- i) l'Industrie Sucriere en Afrique
- ii) The Palm Oil Industry in Africa
- iii) Four Single Road Transport Projects (Kenya (2), Somalia and Sierra Leone)
- iv) Electricity Projects Sector Study (Sub-Sample of 7 projects located in Egypt, Malawi, and Morocco).

With its establishment in December 1980, PEVA set about to interpret its mandate and to develop a work programme. Its responsibility for "the post evaluation of projects and with the evaluation of the Bank's operational activities" was interpreted to involve the following specific interventions:

- i) comprehensive evaluations of single completed projects which encompass an examination of project design, degree of achievement of purpose and aims, a review of operational procedures and an assessment of socio-economic impact;

- ii) sectoral evaluations built upon the aggregate results of single project evaluations plus an overall review of Bank activities in the sector (trends in project lending, project size, project emphasis etc.);
- iii) impact evaluations which concentrate upon the socio-economic impact of a specific project at the level of beneficiaries (individual and community);
- iv) evaluations of substantive project elements such as institution building aspects, recurrent cost problems, use of technical assistance, and cofinancing experience;
- v) project procedures -- evaluation to examine the adequacy of, and compliance with, established operational procedures; and
- vi) country or regional programme evaluations to assess the impact of Bank Group lending activities at the country or regional level.<sup>1/</sup>

PEVA also established criteria for determining which sectors should receive priority in the evaluation programme:

- i) importance in terms of cumulative value of loans allocated;
- ii) importance in terms of projects completed;
- iii) likely subject of emphasis in future lending programmes;
- iv) the evaluation would raise important development issues, e.g., employment, self-reliance; and
- v) the evaluation would raise important issues connected with Bank lending, e.g. local cost financing, difficulties of economic analysis, disbursement problems.<sup>1/</sup>

Based on the foregoing, PEVA established the following programme for 1981-1983:

Sectoral Studies : Irrigation  
Lines of Credit  
Road Transport  
Water and Sewerage  
Education  
Health

<sup>1/</sup>Medium Term Work Programme of the Evaluation Division 1981-1983, Department of Planning and Research, January 1981.

Substantive Areas : Recurrent Cost Financing  
Operational Procedures: Supervision and monitoring of  
Rural Development Projects  
Project Identification  
Impact Evaluation : Rural Development Projects.

The above programme incorporated the studies undertaken by the Policy Planning and Development department prior to PEVA's establishment. Some of the studies were in draft form; some completed reports required updating or further elaboration. A listing of the studies which are included in the current PEVA programme, with their status as of May 23, 1982, is given below.

<u>Study</u>	<u>Status</u>
1. POST-EVALUATION STUDY OF THE AFGOI-MORDILE IRRIGATION PROJECT (SOMALIA)	In final processing for submission to the Board of Directors in July 1982.
2. POST-EVALUATION STUDY ON THE LINES OF CREDIT TO THE INDUSTRIAL DEVELOPMENT BANK OF KENYA (IDB) AND THE TANZANIA INVESTMENT BANK (TIB)	-do-
3. EVALUATION STUDY OF ELECTRICITY PROJECTS	-do-
4. PROSPECTS FOR THE PALM OIL INDUSTRY IN AFRICA	-do-
5. POST-EVALUATION STUDY ON THE LINES OF CREDIT TO MOROCCO	Working Group review achieved October 1981. Programming Committee review and approval planned for June 1982.
6. POST-EVALUATION STUDY ON THE MADJERDA IRRIGATION PROJECT (TUNISIA)	Working Group review held July 1981. Programming Committee review and approval planned for July 1982.
7. POST-EVALUATION STUDY ON THE IRRIGATION PROJECT: OUEME I & II (BENIN)	Working Group review held April 1982. Programming Committee review and approval planned for July 1982.
8. POST-EVALUATION STUDY ON THE LINES OF CREDIT TO LBDI (LIBERIA)	Field mission completed in July 1981, but processing was deferred because evaluator was assigned other tasks in the Department. First draft finalized in mid-May; internal review by the Division to be completed before end-May. Inter-Departmental Expert Working Group Meeting scheduled second week June 1982.

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|--|--|
| 9. POST-EVALUATION STUDY ON<br>LINE OF CREDIT TO USB (SENEGAL) | Field mission completed March 1982.<br>Inter-Departmental Working Group<br>Review scheduled for June 18, 1982.   |
| 10. RECURRENT COSTS STUDY                                      | Requested by the Board in 1980.<br>Mission to Botswana completed first<br>week of May 1982. Mission to Mauritius<br>scheduled for June 1982. Additional<br>missions to Burundi, Zaire, Ethiopia,<br>Tanzania and Zambia planned for third<br>quarter 1982. |
| 11. L'INDUSTRIE SUCRIERE EN AFRIQUE                            | Reviewed by Interdepartmental Experts<br>Working Group.  |
| 12. BERBERA-HARGEISA ROAD (SOMALIA) )                          | First draft prepared in 1980, but<br>further processing has been delayed<br>pending recruitment of a transport<br>economist and also return of officer-in-<br>charge from long-term training in<br>August, 1982.   |
| 13. YALA-BUSIA ROAD (KENYA) )                                  |  |
| 14. ATHI RIVER NAMANGA AND ELDORET-<br>TORORO ROADS (KENYA) )  |  |
| 15. ST. LOUIS THERMAL STATION AND<br>DISTRIBUTION (SENEGAL)    |  |

Other Studies Planned for Initiation in 1982:

16. Lines of Credit to Benin, Malawi, Mauritius and Zambia
17. Bogbe Plain Irrigation Scheme, Mauritania.
18. Power generation and distribution, Niger
19. Integrated Rural Development, Upper Volta
20. Bangui-Bossebele Road, C.A.R. and Butha-Butha Renibe Joels Drift  
Road-Lesotho.

In addition to the foregoing, PEVA has issued the following documents:

<u>Document</u>	<u>Distribution and Purpose</u>
1. The Role of the Evaluation Division: Functions and Responsibilities	Department of Planning & Research for approval. Will be distributed to the Board for information.
2. Medium Term Work Programme of the Evaluation Division 1981-83	Department of Planning and Research for approval.

3. 1982 Work Programme for the Evaluation Division -do-
4. Proposed Training Programme for the Evaluation Division, 1982-1986 -do-
5. Memorandum to the President from the Director of the Planning and Research Department, subject, Preparation of Project Completion Reports (PCRs) dated 18 June 1981 President concurred in PEVA recommendation that PCRs be prepared by Projects departments.
6. Criteria for Selection of Projected Topics for Post Evaluation, November 1981 Transmitted to Operations departments for comments along with a request for suggestions for projects to be evaluated.

Other activities of the Evaluation Division include the following:

- 1) Selective participation in the review of Project Appraisal Reports at both Working Group and Loans Committees.
- 2) Participation in the preparation of the Operational Programme for the period 1982-1986 (one officer detached to work with the Task Force)
- 3) Participation in the finalization of the draft documents titled "ADB Policy on Lines of Credit" and "ADB Policy on Co-financing."

The professional staff of PEVA as of May 1982 included the following:

Division Chief (Economist)  
Economists (3)  
Agricultural Economist  
Civil Engineer

Of this staff, the agricultural economist was on one-month attachment with the Post-Evaluation Office of the Asian Development Bank and one of the economists was on long-term training in the U.S. until August 1982. PEVA is authorized one additional professional position (transport economist) and is in the process of recruiting for this position. An outside expert funded from technical assistance was assigned to PEVA from December 1980 to July 1981. Discussions are being carried out with the U.S. Agency for International Development (USAID) regarding the possibility of USAID funding of a replacement for the departed expert.

## 2. Other Evaluation Activities

Although preparation of interim evaluations was mentioned in some earlier documentation on the evaluation function, the possibility of doing such evaluations is not recognized in current documentation.

Terminal Evaluations, in the form of Project Completion Reports (PCRs), are recognized in current documentation, but primarily in the sense of inputs to the ex-post evaluation function. Although Bank documentation indicates that the Projects departments should be responsible for preparing PCRs, there is no formal assignment of the function to the Vice-President for Operations and the two Projects departments have no budgetary allocation for either supervision or evaluation missions. No PCRs have been prepared.

One special evaluation is planned by the Evaluation Division: the recurrent costs study. Some studies carried out by the Economic Analysis Division would qualify as special evaluations, e.g., the review of the 1977-81 lending program undertaken in preparation for the development of the 1982-86 Operational Program.

## C. The Evaluation Process

The evaluation process is composed essentially of three stages: developing an evaluation plan, undertaking a specific evaluation and clearing and distributing the evaluation report. The process for undertaking a particular evaluation is set forth in the Draft Manual of Operating Procedures. Therefore, this section of the report will provide a summary description of the other two stages, i.e., plan preparation and report finalization.

### 1. Developing an Evaluation Plan

The 1981-1983 medium term work programme and a 1982 work programme were prepared by PEVA and approved by the Director of Planning and Research. Comments on the plans were not solicited from the Operations Departments; nor were the plans distributed to those departments. Comment or approval was not sought from the President or the Board of Directors; nor were the

plans sent to them for information. Operations Divisions were asked for suggestions for projects to be included in the 1982 evaluation programme, but they were not informed of the priority sectors already chosen by PEVA. Although the number of projects suggested far exceeded the possibilities of PEVA, there were no discussions with Operations on refining the list or explanations given for the final choices.

## 2. Clearance and Distribution of Evaluation Reports

After the evaluation team has prepared a first draft of its report, the report is distributed within the Department of Planning and Research for peer comment. The report is then revised as appropriate, translated, and distributed to the various departments and units and to individual experts. Next there is a meeting of the interdepartmental Experts Working Group, which PEVA finds quite useful.

After any needed re-drafting and probably translation, the report is submitted to the members of the Planning and Programming Committee, which is chaired by the Vice-President for Planning and External Relations. Frequently, there has been difficulty in arranging for the Committee to meet. Even when meetings are scheduled, they are frequently postponed. Representation from other departments frequently has been at a low level, and PEVA considers the eventual discussions (after five months delay in one case) of limited value.

After Committee review, the report is revised as necessary and prepared for submission by the President to the Board of Directors.

### III. ASSESSMENT OF ADB EVALUATION SYSTEM AND RECOMMENDATIONS FOR IMPROVING IT

#### A. Importance of Evaluation to ADB

In recent years, there has been increased recognition within the Bank of the necessity to review past practices and programs. Nevertheless, there is need for greater understanding of evaluation concepts and a need for a more formalized and comprehensive evaluation system<sup>1/</sup>. Policies, procedures and actions of all parts of the Bank should be reviewed periodically to ensure their continual relevance, and to determine if the state of the art has progressed sufficiently to suggest more effective or more efficient policies, procedures or tools for implementing Bank's operations. Most evaluation can and should be carried on by the operating and staff units of the Bank, while a central evaluation office serves to monitor the evaluation process for the President and the Board of Directors.

To instill evaluation concepts throughout the Bank and ensure that evaluation contributes as it should to improving and strengthening the Bank's operation, there will be a need for training in evaluation methodology and for strong leadership and followup by the Bank's management. Training will be discussed in some detail in a subsequent section; management action is discussed below.

Departmental directors should have the initial responsibility for establishing an appropriate program of evaluation for their departments and for ensuring that evaluation results are used. However, there will be a need for guiding and monitoring departmental evaluation activity. Bank management is urged to demonstrate its recognition of the potential importance of evaluation to the steady improvement of the efficiency and effectiveness of the Bank's operations by requiring that all departments of the Bank include in their annual work programs an evaluation work plan and (in subsequent years) a status report on actions taken to implement the work plan and to utilize evaluation findings.

<sup>1</sup> The importance of evaluation in the implementation of the Management Improvement Plan is stressed by Coopers & Lybrand in its March 17, 1982 final report (Volume II, page II-3).

B. A More Comprehensive Approach to Project Evaluation

In Section 1.1 of this report, four types of evaluation were described: interim, terminal, ex post and special. The principal effort of the Evaluation Division (PEVA) to date has been to initiate some ex post project evaluations and one special evaluation on recurrent costs. Bank documentation states that Project Completion Reports (PCRs), which could serve as terminal evaluation reports, should be prepared by the project officers, but formal instructions have not been prepared for doing this. Furthermore, there is no agreed format for the reports - a necessary condition to ensure that the PCR is an evaluative document. In addition, the project departments have minimal budget for supervision and often do not know when a project has been completed unless they have been so informed by the Loan Officer. No PCRs have been prepared to date. The possibility of undertaking interim evaluations apparently has not been considered by Bank officers.

As indicated in the operational programme for 1982-1986, the Bank is not satisfied with its procedures for identifying, appraising and monitoring the implementation of projects financed by the Bank and Fund. Time and cost overruns, start-up delays and other problems are cited. In addition, the Bank and Fund are attempting to shift their lending priorities from infrastructure (transport, telecommunications, power) to agricultural production, rural development and social projects (education and health). Other international development agencies have encountered difficulty in carrying out projects in these sectors, and all are learning as they go along. It is important for the Bank to have a more immediate feedback on the results of its operations than can be provided by ex post evaluations and to have a more adequate assessment than is provided from supervision reports.

The Bank should initiate a program of interim evaluations and implement the decision to do terminal evaluations (completion of PCRs). Some ex post evaluation should continue, but for the next year or two, it should generally be part of special evaluations. The latter could focus on special procedural problems identified in the project processing system, on special implementation problems (e.g., slow start-up, slow disbursing, requests for supplemental

funding, delayed terminations) or on issues of project impact that had been identified within the Bank or in the interim, terminal, or ex post evaluation reports of the World Bank, the InterAmerican Development Bank, Asian Development Bank, USAID and other international development agencies.

Special evaluations could review projects in the implementation phase or completed projects. Thus, they could also be called interim or terminal evaluations, but a special evaluation would usually involve reviewing a number of projects concurrently, some of which might be in process and some completed. In addition, special evaluations might involve a review of a number of already completed interim, terminal and/or ex post evaluation reports in a single sector or across sectors. Special reviews should try to review both "good" and "bad" projects to learn what works as well as what does not work.

In the Central Project Service's study of slow-starting projects and the author's review of slow-disbursing projects, a high percentage of problem projects appeared in the sectors suggested for priority evaluation attention: agricultural production, rural development, health and education; of the infrastructure - type activities, only water supply/sewerage projects stood out as frequent problems.

#### RECOMMENDATION NO. 1

That the Bank establish a more comprehensive project evaluation system involving interim, terminal, ex post, and special evaluations.

#### RECOMMENDATION NO. 2

That the Bank give priority in its evaluation program during the next two years to interim, terminal, and special evaluations and that the evaluation effort focus on the sectors of agricultural production and rural development, health, education and water supply and sewerage.

C. Pre-Conditions to Effective Evaluation

Experience indicates that it is generally impossible to obtain satisfactory evaluation results if the designer of a project was not thinking evaluation. Thus, the Evaluation Division has found it very difficult to undertake some evaluations because the objectives and anticipated impact of the project were not spelled out and/or the designer did not think about what information would be necessary to measure impact or other anticipated results. This generally means that there are no base line data available to make before and after comparison.

Another problem cited both by the evaluators and auditors of Bank/Fund projects is the weakness of the project implementation plans. The plans usually only cover the initial pre-project implementation actions such as fulfilling conditions precedent, issuing terms of reference, signing contracts. There is often minimal information to back up expenditure projections. This lack of information hampers project implementation, project supervision, and project evaluation - as well as auditing.

A good evaluation methodology can strengthen project design and appraisal as well as facilitate evaluation. One of the most versatile methodologies is the "logical framework." The logical framework was developed in the early 1970s and has been adopted and adapted by various United Nations organizations, the Asian Development Bank, Latin American regional development organizations, the Canadian and American international development agencies, other bilateral assistance donors, and organizations in some recipient countries. The logical framework is an excellent tool for project design as well as appraisal and evaluation. It portrays the internal logic of the project (inputs to outputs to purpose or objective to goal impact), it assesses what indicators of progress are needed, determines how such indicator information can be obtained, and provides a statement of all assumptions external to the project which are essential to project success. Materials providing a more complete discussion of the logical framework were provided to PEVA and Central Projects Services.

A complementary methodology to the logical framework is networking. Networking involves the preparation of an implementation plan which establishes a time frame for the principal implementation actions and indicates their sequencing and interrelationship. Simple bar charts usually are inadequate to serve the project implementor or project monitor. Critical path method and PERT are two better known networking methodologies. Simpler versions of networks have also been developed by some international development agencies, while other agencies have adopted PERT and automated it. Only by the use of some type of networking is it feasible to arrive at a realistic implementation plan - and hence prepare a reasonably reliable project budget and expenditure plan.

RECOMMENDATION NO. 3

That the Bank Group adopt the logical framework methodology and require that logical framework charts be included in all project appraisal documents.

RECOMMENDATION NO. 4

That the Bank Group require a more adequate implementation plan in appraisal documents, including as a minimum a simplified PERT chart showing the sequencing of the principal actions needed to achieve project outputs and project objective and the estimated time required to complete the actions.

D. Evaluation and Borrower Countries

Borrower countries need to be considered when developing the Bank's evaluation program for a number of reasons. Borrower agreement to evaluation by the Bank is needed. Some borrowers have systems of evaluation so the Bank should coordinate its evaluation(s) with the borrower's evaluation unit, possibly arranging a joint evaluation. The borrower may have evaluations on similar projects to that being designed, and the Bank's officers should be aware of the results of such evaluations.

Loan agreements need to provide specifically for evaluation of projects by the Bank/Fund. At the moment, some do but not all. During project appraisal, Loan or Project officers should determine, in conjunction with borrower officials, whether an interim evaluation is desired and, if so, to decide at what point in the life of the project such an evaluation should take place. This would then be put in the project implementation plan and also set forth in the loan agreement. If it was felt that the timing could not be ascertained in advance, the loan agreement could call for the joint preparation of an evaluation plan, and the implementation plan could indicate by which date such a plan should be prepared.

RECOMMENDATION NO. 5

That Bank/Fund loan agreements make specific provisions for evaluation of projects they finance. Further, that they include an evaluation plan if interim evaluation is deemed necessary.

Loan appraisal documents should focus on evaluation even if no interim evaluation is planned. At the time of appraisal, a decision needs to be made as to how the project will be evaluated upon completion and possibly ex post. It is the time to answer such questions as: "Should the collection of baseline data be built into the project? Are covenants needed to insure that the borrower will have, and will make available, the information that will be needed by the evaluators?"

RECOMMENDATION NO. 6

That the Bank/Fund appraisal documents include a section on project evaluation indicating whether and when an interim evaluation is planned, specifying the information needed for terminal and ex post (interim if applicable) evaluations, and indicating how and when such information should be obtained.

A number of international development agencies are trying to encourage joint evaluations - joint borrower and lender. Participation by personnel from the borrower country generally serves to increase the realism of the evaluation,

should be the responsibility of the Vice-President for Operations, and the responsibility for ex post and special evaluations, as well as the overall monitoring of the evaluation system, should be the responsibility of a central evaluation unit reporting to the President or the Board of Directors.

The central evaluation unit should have a degree of independence similar to the internal audit unit in order to ensure the requisite level of objectivity and candor. The positioning of the central evaluation unit so its chief would report to the President would be consistent with the administrative reorganization of 1980 which provided that the Management Committee, chaired by the President, would consider "Audit and retrospective Evaluation Reports" and provided for the Internal Auditor to report to the President.

To carry out the central evaluation function, there is need for a central evaluation unit staffed with experienced evaluators under the leadership of a Director General for Evaluation or Chief Evaluator with experience in either managing and conducting evaluations or in managing development activities and conversant with evaluation methodologies and practices.

RECOMMENDATION NO. 8

That a central evaluation unit be established under a Director General for Evaluation (or other appropriate title) reporting to the President of ADB. The unit would absorb the present Evaluation Division.

Implementation of recommendations 3 and 4 (on using the Logical framework and networking) and the undertaking of interim and terminal evaluations would fall logically to the Vice-President of Operations. The Central Projects Service (CPS) could be given the principal responsibility, in coordination with the central evaluation unit, for preparing for and monitoring the implementation of recommendations 3 and 4 and for establishing the framework for interim and terminal evaluations. This would be consistent with Administrative Memorandum No. 13-81 of 12th October 1981 which sets out CPS's function and responsibilities.

in part because more information may be obtained from intended beneficiaries, in part because the evaluators get a better understanding of the social environment in which the project was carried out. At the same time, the country participants may be receiving on-the-job training that can increase the capability of the local evaluation unit.

Some organizations have found it easier to get host country participation in evaluations if the host country participants do not have to sign off on the final report and can have their individual contributions annexed to the report.

#### RECOMMENDATION NO. 7

That the Bank develop additional information about the capabilities of borrower countries' evaluation units, attempt to involve borrowers or borrower governments in Bank/Fund evaluations and include borrower government personnel in Bank-sponsored training in project design and evaluation.

The funding of evaluations can become a significant budgetary item if the Bank increases its evaluation activity substantially as recommended herein. In some cases, it should be possible to convince the borrower of the importance of the evaluation and build the evaluation costs into the project. To the extent that Bank and borrower personnel can carry out the evaluations, costs are reduced, particularly if evaluations can be done in conjunction with supervision, identification or appraisal missions. The Bank may also be able to keep evaluation costs down by obtaining funding from nonregional members of the Bank to finance the participation of outside experts. This can also increase the chances that the evaluation will be considered candid and objective.

#### E. Organizational Responsibilities

In Chapter 1 it was stated that a basic principle in evaluation is that the evaluators should be located as close as possible to those who would take action on the evaluation findings. In the case of the ADB, this suggests that interim evaluations of individual projects and terminal evaluations (PCRs)

The foregoing proposes a framework for organizing to undertake interim and terminal evaluations, but it does not specifically recommend responsibility for undertaking the evaluations. With regard to terminal evaluations (Project Completion Reports) the personnel in the Projects departments who were interviewed generally feel that Project Officers should logically be in charge of such evaluations. However, they point out that supervision is now the responsibility of the Country Programmes department, so the Loan Officer would have to advise when a project is finished. Considerable advance notice would be needed so that Projects could schedule the travel of its personnel. Furthermore, Projects departments do not have a sufficient number of personnel to handle the additional workload and would tend to use any additional personnel for appraisal work.

RECOMMENDATION NO. 9

That a unit to do interim and terminal evaluations be established in the office of the Vice President for Operations, either as a separate unit or attached to Central Project Services.

F. Accelerated Training Program

Implementation of the principal action recommendations herein will be effective only if ADB mounts an accelerated training program emphasizing:

1. Evaluation concepts and practices;
2. Use of the logical framework in project design, appraisal, and evaluation; and
3. Use of networking in project design, appraisal, and supervision.

Over the long run, courses on these subjects should be given periodically for new employees and for member country personnel. In the short run (i.e., up to a year), there should be almost continuous courses available in French and English. There should be orientation seminars for managers as well as practical workshops for project officers, loan officers, evaluation officers,

etc., using practical exercises. A technical assistance contractor could be used to initiate the training expeditiously, to train ADB trainers and to help develop curricula increasingly ADB-specific using case materials from evaluations of projects funded by ADB and ADF.

#### RECOMMENDATION NO. 10

That ADB undertake an accelerated training program in evaluation concepts and practices, use of the logical framework, and networking.

#### G. Processing Evaluation Plans and Evaluation Reports

The evaluation programs and the plans for individual evaluations which have been prepared by the Evaluation Division have suffered from too little input from the Operations departments and virtually no input from top management. On the other hand, the Division's evaluation reports have been subjected to a torturous review process which almost guarantees that the value of the conclusions and recommendations in the final report will be reduced. Even if they are not watered down, they likely will have lost their punch with the passage of time. Given the foregoing, it seems appropriate to make some suggestions regarding the preparation of evaluation programs and plans and the clearance of evaluation reports.

##### 1. Evaluation Plans

In general, departmental and other unit evaluation plans should, after appropriate clearance, be reviewed by senior management (at least Vice-President level). Annual programs of project evaluation should be presented for review by the President and the Board as a part of the annual budget presentation. The Vice-President for Operations would prepare an annual program for interim and terminal evaluations, which should be cleared by the Director General for Evaluation or be accompanied by his/her comments. In like manner, the Director General for Evaluation should consult with the various departments (especially Operations and Planning and Cooperation) and with the Internal Auditor in the preparation of the evaluation program for the central evaluation unit - covering ex post and special evaluations.

The foregoing consultations are designed primarily to ensure the relevance of the programs to management's needs and to promote efficiency through well-coordinated actions. Coordination in implementing the plans is also important in terms of using the Bank's resources, and perhaps more importantly, to minimize the workload on borrower country personnel and institutions.

Coordination should not cease with the approval of annual plans and programs. It is also important that the central evaluation unit and the responsible office(s) in Operations which are responsible for interim and terminal evaluations clear the terms of reference for individual evaluations with all interested parties. The central evaluation unit should be able to advise on evaluation methodology and techniques, and Operations units can comment on the practicality of approach as well as provide briefings on the environment in which the project was carried out.

## 2. Processing Evaluation Report

Draft evaluation reports generally should be reviewed within the drafting officer's office to ensure the report's readability, relevance, and thoroughness. After it passes "peer review", the report should be distributed to all those who could legitimately have reason to comment or who could provide additional enlightenment about the project results or circumstances of implementation. All recipients should be encouraged to provide written comments within a specified period of time, e.g., three weeks. Recipients of the report should be canvassed a few days before the deadline to determine whether they will be submitting written comments. The drafting officer should be prepared to meet with any individual or office who might wish clarification or wish to discuss orally some facet of the report before submitting comments. In some cases, it might be well for the evaluator to have a briefing on the draft report at a designated time and invite interested parties to attend. However, no formal meetings on the report by the regular committees of ADB should be held prior to the issuance of the report - the practice for audit reports. After issuance, of course, such reviews would be appropriate to discuss the findings and to determine what actions should be taken to implement the recommendations.

RECOMMENDATION NO. 11

That the present procedure for the clearance of evaluation reports be changed to that followed for audit reports - as amplified above.

#### IV. IMPLEMENTATION OF RECOMMENDATIONS

During the review of the draft report, a number of Bank personnel suggested that the final report should give some indication of priorities among the various recommendations and provide suggestions for their implementation. The recommendations have been listed in the table on the following page with indication given of the office which should initiate action to implement the recommendation, the most important offices which would be involved in the clearance process, and the officer who would be responsible for final approval of the implementation action. The initiation of action is generally the responsibility of the Central Projects Service in the office of the Vice-President of Operations or the Evaluation Division (PEVA) in the Planning and Research Department. Therefore, the suggested plan for implementing this report is sub-divided into sections according to initiating office. Indication is given within the plan of the relative priority attached to individual recommendations.

##### A. Central Projects Service

- Priority I-a: Recomm. #1a -- Initiate interim & terminal evaluations.  
#9 -- Establish a unit to do interim & terminal evaluations.  
#6 -- Include a section on evaluation in project appraisal documents.  
#7a -- Obtain information about borrowers' evaluation units.

- Suggested Actions: 1) Prepare a memorandum for the signature of the Vice-President of Operations in which he states his intention to establish a unit to do interim and terminal evaluations to be effective early in 1983. In the meantime, project appraisal documents will include a section on evaluation focusing on the following:
- a) the case for or against having an interim evaluation;
  - b) the case for or against having an ex post evaluation;
  - c) a discussion of the statistics or other data or information that will be needed to do a meaningful evaluation (of whatever kinds recommended) and how the information will be made available; and

**IMPLEMENTATION OF RECOMMENDATIONS**

<u>#</u>	<u>Recommendation</u>	<u>Initiated By</u>	<u>Clearance By</u>	<u>Authorized By</u>
1a	Initiate interim & terminal evaluations.	Opns/CPS	PEVA*	V/P Operations
1b	Initiate special evaluations.	PEVA	Operations Depts.	Dept Plng & Resrch
2	Give priority to interim, terminal, & special evaluations and focus on agricultural production, rural development, health, education and water supply and sewerage.	CPS & PEVA		V/P Opns & Dir PLR
3	Adopt logical framework methodology.	Opns/CPS	PEVA, Training Ctr. Operations Depts.	V/P Operations
4	Require more adequate implementation plan in project appraisal documents.	Opns/CPS	Training Ctr. Operations Depts.	V/P Operations
5	Loan agreements provide for evaluation and include evaluation plan if interim evaluation planned.	Opns/CPS	Gen Counsel PEVA Operations Depts.	V/P Operations
6	Include a section on evaluation in appraisal documents.	Opns/CPS	PEVA Operations Depts.	V/P Operations
7a	Obtain information about borrowers' evaluation units.	Operations Depts, PEVA & Opns/CPS	PEVA & Operations Depts.	Not applicable
7b	Involve borrowers in Bank/Fund evaluations.	Opns/CPS & PEVA	PEVA & Operations/ CPS	V/P Operations Director PLR
7c	Include borrower personnel in Bank-sponsored training in project design and evaluation.	Opns/CPS	Training Center PEVA Operations Depts.	Director, Personnel and Training

\*Central Evaluation Unit, once established.

IMPLEMENTATION OF RECOMMENDATIONS (CONT.)

<u>#</u>	<u>Recommendation</u>	<u>Initiated By</u>	<u>Clearance By</u>	<u>Authorized By</u>
8	Central evaluation unit be established under a Director-General for Evaluation reporting to President of ADB.	PEVA	Dir., Personnel & Training	Pres., ADB
9	Establish a unit in the office of the V/P of Operations to do interim and terminal evaluations.	Opns/CPS	PEVA Dir., Personnel & Training	V/P Operations
10	Undertake an accelerated training program in evaluation concepts and practices, use of the logical framework, and networking.	Opns/CPS in coord. with Training Center	PEVA Dir. Cooperation (for external asst.)	V/P Operations and V/P Administration
11	Change present procedure for clearance of evaluation reports to that in practice for audits. (V/P Operations can establish the procedure for interim and terminal evaluations when initiated.)	PEVA	Dir. PLR	V/P Planning & External Relations

- d) information about the borrower's evaluation unit, if any, and an indication of the borrower's interest in participating in evaluation(s) of the project with ADB.
- 2) Include in the work programme for 1983 (and the accompanying budget) provision for the establishment of the evaluation unit and its operations during the year. Some estimates of the personnel needed and the number of evaluations to be undertaken annually were provided on pages 33 and 34 of the draft report. (6 additional person-years for terminal evaluations -- full coverage, but ignoring backload -- and 4 person-years for interim evaluation--1/3 coverage).
  - 3) Request short term external assistance to help develop draft procedures for carrying out interim and terminal evaluations and to participate in the development of a curriculum for training Bank personnel in evaluation concepts and practices.
  - 4) Request from external assistance (a) the recruitment of a long term expert to work with the new evaluation unit; and (b) the provision of a means of obtaining short term experts on short notice to participate in individual evaluations.
  - 5) Initiate recruitment of the regular staff for the new evaluation unit.

- Priority I-b: Recomm. #3 -- Adopt logical framework methodology.  
4 -- Require more adequate implementation plan in project appraisal documents.  
10 -- Undertake an accelerated training program in evaluation concepts and practices, use of the logical framework, and networking.

- Suggested Actions: 1) Review recommendations 3 and 4 in the context of the work being initiated to prepare and implement a Project Management Improvement Plan (PMIP), with particular emphasis on selecting a specific methodology or format for the project implementation plan.
- 2) Request an external assistance team to prepare a training program, to implement the training program on a regular basis for up to one year, and to train ADB trainers to take over the training gradually.

- Priority II: Recomm. #5 -- Loan agreements provide for evaluation and include an evaluation plan if interim evaluations planned.  
#7b -- Involve borrowers in Bank/Fund evaluations.  
#7c -- Include borrower personnel in Bank-sponsored training in project design and evaluation.

- Suggested Actions:
- 1) Establish a sub-committee under the PMIP task force to prepare draft texts for loan agreements: a) for evaluation in general and b) when interim evaluations are planned.
  - 2) Involvement of borrowers in evaluations should be considered in the review of the evaluation section of the project appraisal document. Actual involvement would be part of the evaluation process and reference to possible borrower participation should be included in Manual of Operating Procedures.
  - 3) Decisions about the participation of borrower personnel in the training program must await the availability of the training program. It is suggested, however, that the selection of country participants should be coordinated by a committee with representation from PEVA (later Central Evaluation Unit), the Central Projects Unit, the Training Center and a representative of the Operations Departments. Emphasis should be given to strengthening major borrower organizations.

#### B. Evaluation Division

Priority I-a: Recomm. #11 -- Adopt an expedited procedure for the clearance of evaluation reports -- like that used for audit reports.

Since the current procedure apparently was not established by higher authority, PEVA could probably initiate the new clearance procedure on its own. However, to ensure complete agreement, PEVA could initiate a memorandum from the Director of Planning and Research to the President of ADB advising him that the new procedure was being implemented unless he had objection. The memorandum should be cleared with Central Projects Services.

Priority I-b: Recomm. #1b -- Initiate special evaluations.

Suggested Actions: 1) The ongoing sectoral review of development lending companies (DFCs) should be converted to a special evaluation by reviewing findings to date and establishing priorities for future work. Such future work could involve a desk review of the implementation of a number of ongoing projects, perhaps one or more interim or terminal evaluations, and possibly some additional ex post evaluations. Emphasis should be on determining employment and balance of payments impact per unit of investment of different kinds of

sub-projects and different sized sub-projects. Another possible focus could be on the applicability and appropriateness of the recently adopted new guidelines for DFC project funding by ADB.

- 2) Other sectoral studies should be reviewed in a similar manner to determine whether information useful to management can be synthesized immediately or with a small amount of additional work. If not, consideration should be given to issuing the draft documents as working papers and getting on to higher priority work.
- 3) Higher priority work could include special evaluations focusing on slow-moving projects, slow-starting projects, and projects with overruns, as well as initiating a special evaluation in one of the sectors of focus per Recommendation #2.

Priority I-c: Recomm. #8 -- Establishment of central evaluation unit.

NOTE: This is listed third in order of priority because the other two items can be carried out relatively quickly and internally to PEVA. Furthermore, the other two actions, as well as some others discussed below, are necessary pre-conditions to establishing the Central Evaluation Unit.

- Suggested Actions:
- 1) Request through external assistance a contract with an institution to provide: (a) a long term evaluation expert (see Annex V for draft job description); and (b) the facility to provide short term experts upon request to participate in individual evaluations.
  - 2) Submit a 1983 program and budget for the proposed central evaluation unit (see Annex VI for suggested program priorities and staff) and include therewith a job description for the proposed chief evaluator (see Annex VII for draft job description) and a Presidential Administrative Memorandum to establish the proposed central evaluation unit (see Annex VIII for a draft of the memorandum).

NOTE: It is recommended that the central evaluation unit be activated when the proposed chief evaluator is on board and the contract for external assistance is in effect.

## ANNEXES

- I -- Resume of James L. Roush
- II -- List of Persons Interviewed
- III -- Bibliography
- IV -- The Evaluation Function in the World Bank
- V -- Job Description for the Post of Evaluation Expert
- VI -- Central Evaluation Unit -- Suggested 1983 Priorities and Staffing
- VII -- Job Description for the Post of Director General for Evaluation
- VIII -- Draft Administrative Memorandum Concerning Functions and Responsibilities of the Central Evaluation Unit

JAMES L. ROUSH

ANNEX I

3800 North Fairfax Drive, #1214  
Arlington, Virginia 22203

Telephone: (703) 528-4553

## HIGHLIGHTS OF EXPERIENCE

Program Management

- Supervised AID\* programs in Cameroon, Chile and Central America (Regional)
- Managed major overhaul of AID's planning, budgeting, accounting and reporting systems for its project assistance
- Managed planning, budgeting, obligating and review of \$200 to \$300 million annual project program in Vietnam
- Represented United States Government or AID in international conferences

Research, Analysis and Evaluation

- Evaluated projects, designed projects and performed other consulting related to international development -- see page four (1979-1982)
- Appraised the U.S. aid program in Sri Lanka and analyzed Sri Lanka's development experience (1978)
- Prepared a proposal for a Technology Exchange and Cooperation program with middle-income LDCs (1978)
- Appraised AID's Reimbursable Development Program (1978)
- Evaluated an AID Section 211(d) grant to the Land Tenure Center, University of Wisconsin (1978)
- Helped design the Development Studies Program, a training program for AID program design and implementation officers (1975)
- Designed an integrated system for the planning, budgeting, designing, implementing, accounting and evaluation of AID's project assistance (1974)
- Report on how to reduce the trafficking of narcotics in the Southern Cone of South America (1972)
- Paper describing how "peace initiatives" policies were made in the U.S. Government (1966)
- Comparative analysis of the economic development of Chile and Argentina (1966)
- Paper outlining a proposal for a political solution in Vietnam (1966)
- Master's thesis on the evaluation of U.S. aid programs (1966)

\*United States Agency for International Development

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**EMPLOYMENT CHRONOLOGY**Self-Employment

CONSULTING/CONTRACTUAL SERVICES -- See attached list. (1979-Present)

Agency for International Development (AID)

EVALUATION OFFICER, Operations Appraisal Staff, AID/Washington (AID/W).  
(1977-78 -- retired August 1978)

DIRECTOR, U.S. Aid Mission, Chile. (1976-1977)

DIRECTOR, Planning, Budgeting, Accounting and Reporting (PBAR) Task Force,  
AID/W. (1974-1976)

REGIONAL COORDINATOR/LATIN AMERICA, Bureau for Policy and Program Coordination,  
AID/W. (1973-1974)

DEPUTY COUNTRY DIRECTOR FOR ARGENTINA, PARAGUAY, AND URUGUAY, ARA-LA/APU,  
Department of State. (1971-1973)

DEPUTY DIRECTOR, Regional AID Office for Central America and Panama (ROCAP),  
Guatemala City. (1970-1971)

ASSISTANT DIRECTOR FOR PROGRAM, U.S. Operations Mission, Saigon, Vietnam.  
(1967-1969)

DEPUTY DIRECTOR, Office of North African Affairs, AID/W. (1966-1967)

STUDENT, U.S. Army War College, Carlisle, Pennsylvania. (1965-1966)

ICA LIAISON OFFICER, Program Officer, AID Affairs Officer (& Attache),  
Yaounde, Cameroon. (1961-1965)

ASSISTANT/DEPUTY PROGRAM OFFICER, USAID/Ethiopia. (1958-1960)

STATISTICAL ANALYST, U.S. Mission to OEEC, NATO and other European Regional  
Organizations (USRO), Paris, France. (1956-1958)

INTERNATIONAL ECONOMIST, Office of Research, Statistics and Reports, AID/W  
(then MSA & FOA). (1953-1956)

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**EDUCATION, TRAINING AND LANGUAGE**

MASTER OF SCIENCE - International Relations, George Washington University, Washington, D.C. (1966)

MASTER OF ARTS - Economics, University of California, Los Angeles, CA. (1952)

BACHELOR OF ARTS - Economics, University of California, Los Angeles, CA. (1950)

OTHER: Eight-Week Executive's Program, Federal Executive Institute, Charlottesville, Virginia. (1971)

Four-Month Program of Training for Africa -- part at Boston University, part at Oxford University. (1960)

Postgraduate courses - Economics, American University, DC. (1953-1955)  
 Geography of Africa, University College, Addis Ababa, Ethiopia. (1959)

PROFICIENT IN SPANISH AND FRENCH

**OTHER ACTIVITIES**

Executive Director, Foundation for a Peaceful Environment among Communities Everywhere, Arlington, Virginia

Member of the Board of Directors and Executive Committee, Capital Area Division, United Nations Association of the USA

Community Coordinator for Virginia Suburbs of the Great Decisions Program of the Foreign Policy Association

Member of the Editorial Board of the Foreign Service Journal, Publication of the American Foreign Service Association

Associate, Political Economy Working Group, The Churches Center for Theology and Public Policy, Wesley Seminary, Washington, D.C.

Member: American Economics Association, Society for International Development, World Affairs Council of Washington, D.C.

**AWARDS FROM AGENCY FOR INTERNATIONAL DEVELOPMENT**

Distinguished Career Service Award (1978)

Distinguished Honor Award (1976)

Superior Honor Award (1969)

Meritorious Honor Award (1954)

## CONSULTING/CONTRACTUAL SERVICES

- Headed a two-person team (through Development Associates, Inc. indefinite quantity contract (IQC)) to evaluate three AID Africa Bureau regional projects: Accelerated Impact Program, Improved Rural Technology and Women in Development. After visiting AID missions in Liberia, Togo, Zaire, Botswana and Kenya and AID regional offices in Abidjan and Nairobi, the team recommended an extension and strengthening of the Improved Rural Technology project and folding the other two projects into a new Development Initiatives and Responses project to give greater flexibility to USAID Directors. (January to March 1982)
- Contributed to an analysis by Development Associates, Inc. (through an IQC) of contract costs of providing services to AID participants in the U.S. (December 1981-January 1982)
- Headed a 13-person team to evaluate the Operation Haute Vallee project in Mali (through Development Associates, Inc. IQC). This \$24 million integrated development project has seven components: animal traction; irrigation improvement and polder rehabilitation; agricultural credit; secondary road improvement; health; functional literacy; and administrative, logistic and technical support to the OHV organization. Wrote the final report, assessed the validity of project design, recommended a revised project strategy, suggested means of improving project implementation and financial management and made recommendations for increasing the effectiveness of assistance in other projects in Mali and AID programs in other countries. (August-December 1981)
- Prepared a Project Paper for AID Bureau of Science and Technology, Office of Agriculture (Agribusiness) for a project to promote U.S. private sector participation in LDC development, particularly in the LDC private sector. (July-August 1981) (Contracted by OICD, Department of Agriculture)
- Contracted by the Office of Science and Technology of AID to evaluate the project Standardization in LDCs, a project implemented by the National Bureau of Standards. (February-June 1981)
- Assessed USAID Mali technical assistance program (through Experience, Inc. IQC) and recommended actions for improving its efficiency. (November-December 1980)
- Prepared scopes of work for policy impact studies in Paraguay, Bolivia, Jamaica and Costa Rica (through USDA RSSA with AID Office of Nutrition). Policy impact refers to impact of agricultural policies on food consumption. Drafted Request for Proposal for studies. (February-June 1980)
- Member of the 1979 Foreign Service Performance Evaluation Panels for AID. (October-November 1979)
- Completed a draft project paper for an agricultural research project in Sao Tome and Principe (through Experience, Inc. IQC). (October 1979)
- Member of a selection panel for International Development Interns being recruited by AID. (May-August 1979)

LIST OF PEOPLE INTERVIEWEDWASHINGTON DCWorld Bank (IBRD)

Mr. Shiv Kapur, Director of Operations, Evaluation Department

Inter-American Development Bank (IADB)

Mr. Herman Kleine, Former Chief of the Operations  
Evaluation Office and Former Controller  
in IADB and former Assistant Administrator  
of the Agency for International Development.

United Nations (UN)

Mr. Herbert Turner, Chief Evaluation Officer for the UN (by phone)

US Agency for International Development (USAID)

Mr. Robert Berg, former Chief of Central Evaluation Office

Mr. Richard Blue, Chief of Central Evaluation Office

Ms. Bernice Goldstein, Chief Evaluation Officer, Latin American Bureau

Ms. Molly Haugeboeck, Chief of Evaluation Systems, Central Evaluation Office

Mr. Richard Mulcahy, former Chief of Regional Institutions Office, REDSO,  
Abidjan

Mr. David Steinberg, Studies Division, Central Evaluation Office (provided  
briefing on Asian Development Bank)

Mr. Lee White, Development Information Data Bank, Bureau for Science and  
Technology

U.S. Department of Agriculture (USDA)

Mr. Frank Fender, Training Expert, Development Project Management Center  
(by phone)

Mr. Kettering, Financial Management Specialist, Development Project  
Management Center (by phone)

ABIDJAN, IVORY COAST

African Development Bank (ADB)

Office of the President

J.P. BRASSARD, Management Consultant

Office of Internal Auditor

J. M. WALKER, Internal Auditor  
A. R. KOYAMBA, Deputy Internal Auditor  
A. M. GEDI, Assistant Internal Auditor

Office of General Counsel

S. ALEMAYEHOU, Senior Counsel

Operations/Central Projects Service

C. KAHANGI, Director  
V. K. FUDZIE, Operations Advisor  
K. A. ERICKSON, Project Analyst  
L. LUNG, Project Analyst

Operations/Country Programmes

I. BARKY, Chief, Central Africa  
D. O. OGUNJOBI, Chief, Southern Africa  
E.K.M. SANVEE, Chief, East Africa

Operations/Agriculture & Rural Development

K.S.M. NYAHE, Chief, Agriculture I  
A. J. MOHAMED, Chief, Health & Education

Operations/Infrastructure & Industry

G. DOSSOU, Director  
E. TETEGAN, Deputy Director  
N. N. SUSUNGI, Chief, Industry & Development Banks  
A.G.O. SPARK, Civil Engineer

Planning & External Relations/Central Programing Unit

G. MANCINI, Chief

Planning & External Relations/Cooperation

M. BOUZID, Director

Planning & External Relations/Planning & Research

T. GEDAMU, Director  
D. TWAHIRWA, Chief, Statistics Division  
W. STEEL, Special Studies Coordinator  
A. E. N'DIAYE, Economist

PE/PLR/Evaluation Division

L. M. SHANGO, Chief  
M. T. FUTA, Senior Agricultural Economist  
J.W.T. OTIENO, Economist  
V. VALAYDON, Economist  
M.L.B. ASKOFARE, Civil Engineer

ADB Board of Directors

K. VENCATACHELLUM, Executive Director

ADF Board of Directors

R. S. BROWNE, Executive Director  
C. W. POTYKA, Executive Director

Regional Economic Development Services Office West Africa (REDSO/WA) USAID

G. EVANS, Director  
W. NAYLOR, Deputy Director  
R. WAGNER, Chief, Office of Regional Institutions  
G. THOMPSON, Chief, Project Development Office  
Ms. THEODORA WOOD-STURVINO, Office of Regional Institutions  
Ms. J. WHEELER, Office of Regional Institutions

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1. Agreement Establishing the African Development Bank, August 1967
2. Agreement Establishing The African Development Fund, January 1981
3. Administrative Re-Organization of the Bank, November 1980
4. Operational Programme for the African Development Fund
5. The 1982 Lending Programme for the African Development Fund
6. The African Responsibility -- Comments on the World Bank Report "Accelerated Development in Sub-Saharan Africa: An Agenda for Action," Department of Planning and Research, January 12, 1982
7. Activity Report on Bilateral Cooperative Programmes (December 31st, 1981), Cooperation Department, March 1982
8. Annual Reports, 1977-1981
9. First Review Committee Final Report (ADF), April 1978
10. Proposals for the Third General Replenishment of Resources and the Establishment of an Account for Technical Assistance, December 1980
11. Roles and Policies of MDBs: Responses to Queries by the United States Treasury Department, June 1981
12. General Conditions Applicable to Loan and Guarantee Agreements, 8 April 1974.
13. Administrative Memorandum No 03-80 Concerning the Duties and Responsibilities of Vice-Presidents of the Bank, 17 December 1980
14. Administrative Memorandum No. 13-81 Concerning Functions and Responsibilities of the Central Projects Service, 12 October 1981
15. Administrative Memorandum No. 13-81 (sic) Concerning Staff Training, 4 December 1981
16. Statement of Approved Loans as at 30 September 1981 and at 31 December 1981 -- Bank and Fund
17. Kahangi/Bihute Memorandum, subject: Report on the Status of Execution of Projects as at 31 December 1981 dated 22 April 1982
18. Report on Loans Administration and Projects Implementation 31st December 1979, Operations Department, December 1979

BIBLIOGRAPHY (con't)AFRICAN DEVELOPMENT BANK/FUND DOCUMENTS (con't)

19. Sample Appraisal Documents (6)
20. Sample Loan Agreements (7)
21. Revenue Estimates Operational and Administrative Budgets, 1st January-31 December 1982 (Bank)
22. Operational Programme and Administrative Budget, 1st January - 31 December 1982 (Fund)
23. Compendium of Statistics, 1982 Issue
24. Reports and studies of the Evaluation Division (see Chapter 2) plus various working papers and internal documents
25. Shango/Gedamu Memorandum, subject: Back-to-Office Mission Report: Consultations with the Post Evaluation Office, Asian Development Bank, Manila, 25 April - 6 May 1981 dated 22/05/81
26. Framework for Planning and Research Studies, Planning and Research Department, May 1982
27. Manual of Operating Procedures (draft), Volumes 1 and 2

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- \*28. Project Evaluation Guidelines: Third edition, August 1974
- \*29. Guidelines for the Evaluation of Capital Projects, January, 1975 (2 copies)
- \*30. Program Evaluation in Aid: Lessons Learned, Herbert D. Turner, July 20, 1976
- \*31. Draft, A.I.D. Evaluation Handbook, August 1980
- \*32. Design & Evaluation of Aid-Assisted Projects, Training and Development Division, Office of Personnel Management, November 1980
- \*33. A.I.D. Program Design and Evaluation Methods: Manager's Guide to Data Collection, November 1979
- \*34. Program Evaluation Studies: Intercountry Evaluation of Agriculture Sector Program (Vol. 3 - Costa Rica), June 1974
- \*35. Program Evaluation Studies: Intercountry Evaluation of Small Farmer Organizations, November 1976 (Ecuador, Honduras)

\*Items left with the ADB Evaluation Division

BIBLIOGRAPHY (con't)AGENCY FOR INTERNATIONAL DEVELOPMENT (con't)

- \*36. A.I.D. Evaluation Special Study No. 4: The Social Impact of Agribusiness: A Case Study of ALCOSA in Guatemala, July 1981
- \*37. A.I.D. Program Evaluation Discussion Paper No. 8: Assessing the Impact of Development Projects on Women, May 1980
- \*38. A.I.D. Programme Evaluation Discussion Paper No. 11: Effective Institution Building: A Guide for Project Designers and Project Managers Based on Lessons Learned from the AID Portfolio, March 1982
- \*39. The VICOS Experiment: A Study of the Impacts of the Cornell-Peru Project in a Highland Community, by Barbara D. Lynch, June, 1981
- \*40. AID Development Information Programme, October 1980
- \*41. The Logical Framework - Modifications Based on Experience
- \*42. Evaluation Handbook, second edition, September 1976
- \*43. Improving A.I.D. Program Evaluation, October 1965
- \*44. A.I.D. Use of Development Indicators, A Progress Report, March 1974
- \*45. Agribusiness and Rural Enterprise Project Analysis
- \*46. AID Program Evaluation Discussion Paper No. 4: Policy Directions for Rural Water Supply in Developing Countries, April 1979
- \*47. AID Project Impact Evaluation Report No. 32: Panama: Rural Water, May 1982

OTHER DOCUMENTS

- \*48. IBRD, Operations Evaluation, World Bank Standards and Procedures, August 1979
- \*49. IBRD, Concordance to Project Performance Audit Reports Issued by the Operations Evaluation Department (Report # 3625) covering March 1972-June 30, 1981, dated 9/30/81
- \*50. Asian Development Bank, Second Review of Post-Evaluation Reports (1979), October 1980
- \*51. \_\_\_\_\_, 15th Annual Meeting of the Board of Governors of the Asian Development Bank, series of articles carried in an advertisement supplement in Far Eastern Economic Review, April 23, 1982

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BIBLIOGRAPHY (con't)OTHER DOCUMENTS

- \*52. OECD, Evaluating Social Projects in Developing Countries, 1979
- \*53. Inter-American Development Bank, The System of Operations Evaluation of the IADB, 1981
- \*54. The Urban Institute, Evaluability Assessment: Making Public Programs Work Better, October 1978
55. U.S. General Accounting Office, Report to the Congress: Improving Independent Evaluation Systems in the Multilateral Development Banks, April 21, 1981 (ID-81-30)
56. Coopers & Lybrand, Diagnosis of Organization Structure, Operating Systems, and Management Information Systems for the African Development Bank, Summary Conclusions and Recommendations, October 1981
57. \_\_\_\_\_, Final Report, March 17, 1982  
Volume 1 - Diagnosis  
Volume 2 - Management Improvement Plan
- \*58. Hubbell, Robert L., Dissent, Objectivity, and Ethics in Program Evaluation, A.I.D., May 1979
59. ADB/USAID, Evaluation Report of the AID Regular and Special Sahel Grants, May 1980 (2 volumes)
- \*60. Freeman, Howard E. and Peter H. Rossi and Sonie R. Wright, Doing Evaluation: A Handbook of Procedures (Draft Manuscript) March 1978

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\*Items left with the ADB Evaluation Division

THE EVALUATION FUNCTION IN THE WORLD BANK

The World Bank utilizes a two-tier evaluation system. The first tier consists of self-evaluation by the relevant Bank offices. The second tier consists of reviews of these self-evaluations and the relevant bank experiences by an independent evaluation system, which also carries out special studies of selected topics and issues.

Responsibility for the independent system lies with a Director-General of Operations Evaluation who is assisted by an Operations Evaluation Department. Although the independent system has an administrative link to the Bank President, the Executive Directors appoint the Director-General for renewable 5-year terms and only they can remove the incumbent from his position. The Director-General cannot later become a regular staff member of the Bank except in unusual circumstances. The Operations Evaluation Department, in turn, is responsible to the Director-General.

The Director-General is responsible for appraising the evaluation system and for reporting on its adequacy. He is also responsible for conducting independent reviews, on a selective basis, of operational programs and activities to determine if the objectives are being realized and how the programs might be made more effective, efficient, and responsive to the needs and concerns of member governments.

The Operations Evaluation Department is the staff arm of the Director-General, and has unrestricted access to the staff and records of the World Bank. Its principal functions are:

- to assist the Director-General in periodic assessments of the adequacy and effectiveness of the operations evaluation system;
- to carry out performance audits on all completed projects and to conduct evaluation studies and operational policy reviews on subjects which the Director-General determines warrant examination, with a view to identifying areas for improvement in World Bank policies and procedures and their application;
- to help the World Bank encourage and assist member countries to develop an operations evaluation function;
- to assess actions taken by the World Bank in connection with the findings of studies by the Operations Evaluation Department, and report thereon to the Executive Directors and the Bank President; and
- to help disseminate evaluation findings regarding World Bank operations, and the lessons emerging therefrom, both within the Bank and to the wider development community.

The Joint Audit Committee, comprised of 8 of the 20 Executive Directors, has a broad mandate to assess the adequacy and efficiency of the World Bank's evaluation system. To fulfill these responsibilities, the Committee:

- reviews with the Director-General his annual reports before they are discussed by the full Board of Executive Directors;
- recommends the draft annual work program and budget of the independent evaluation system to the Executive Directors;
- screens reports for policy issues or major operational problems which it recommends the Board consider;
- reviews all special studies and a small representative sample of project performance audit reports to assess the adequacy of their coverage, methodology, and adherence to Bank standards; and
- reports annually on its conclusions and findings concerning the evaluation system.

The self-evaluation activities of the operational departments of the Bank are carried out through project supervision missions and reports and by the completion of Project Completion Reports (PCRs) on each project, usually within six months after final disbursement of loan funds or credits. The PCRs review the extent to which the objectives and expectations of the project which were set forth in appraisal and approval documents have been, or show promise of being achieved. The PCR examines the reasons for deviations from plans and attempts to assess their significance. Its purpose is not to record a comprehensive history of the project, but to consider candidly, in the light of what actually happened up to that time, whether in retrospect the project was worth doing and what lessons are to be learned from this experience. Preparers of PCRs are to be selective in the depth to which particular questions are pursued and avoid perfectionism of writing and presentation so that the crucial facts may be brought out and the lessons drawn at the lowest possible cost to the World Bank and the borrower.

The independent evaluation staff reviews PCRs for comprehensiveness, internal consistency, and objectivity. It examines relevant Bank documents and discusses the project with Bank staff and decides whether to do an abbreviated, intermediate or full review of the completed project. A full review almost always includes a field visit to the borrowing country. Use of the abbreviated procedure is normally linked to an acceptable economic return, no significant time or cost overruns, and a satisfactory PCR for the project.

In addition to the evaluation audits (the Bank's term) of individual projects, the independent evaluation staff prepares several kinds of reports and special studies, including:

- evaluations which examine the impact of groups of projects and their implications for bank policies, practices, and procedures, e.g. review of a cluster of projects in Indonesia and in the industrial sector in Turkey and a review of education projects in 18 countries.
- evaluations which focus on a single project to assess its impact several years after completion;

- operational policy reviews which look at the actual application of Bank policies and procedures governing the management and administration of lending and technical assistance programs, e.g., the use of consultants in the Bank's projects, the effectiveness of the supervision function, the use of covenants in loan agreements -- some 40 percent remain in noncompliance;
- annual reports on individual project performance audits (reviews of the PCR's) which bring together for summary review many of the findings of individual project audits conducted during the preceding calendar year;
- annual reports on operations evaluations, including the status of all approved recommendations which have not been fully implemented; and
- a concordance, which is a reference work to help users find individual reports which have dealt with relevant aspects of Bank operations.

During the Bank fiscal years of 1978, 1979 and 1980, the evaluation staff audited 124, 91 and 109 individual projects, respectively. During those same years a total of 17 reports or special studies were issued, along with a concordance which was updated periodically.

JOB DESCRIPTION FOR THE POST OF EVALUATION EXPERT REQUIRED BY THE  
EVALUATION DIVISION OF THE PLANNING AND RESEARCH DEPARTMENT

- Post : Evaluation Expert
- Duty Station : ABIDJAN
- Level : Equivalent of a Principal Officer within the Bank Group's Salary Structure.
- Terms and Conditions : Contract service, initially for a two-year period and renewable subject to agreement between the Bank, USAID and the Officer.
- Timing for Commencement : October 1982.
- Job Description : Under the general direction of the Director of Planning and Research Department and under the immediate supervision of the Chief of the Evaluation Division, the expert will be required to undertake the following tasks:
- i) evaluate projects and programmes funded by the Bank Group.
  - ii) assist in developing methodology and techniques for evaluating Bank Group projects/programmes.
  - iii) participate in periodic reviews of the Bank Group evaluation system in order to make it adequately responsive and supportive to the needs of the Bank.
  - iv) advise on and participate in the training of Bank personnel in evaluation concepts and practices.
- Qualification & Experience : 1) Advanced degree in economics, business administration, rural sociology, or other discipline with significant content related to international development;  
2) 8 years experience in the following: project design/appraisal, project implementation, project evaluation, and/or management of international development activities;  
3) familiarity with the logical framework methodology.
- Language : Fluency in either English or French and a good working knowledge of the second language (oral and written).

CENTRAL EVALUATION UNIT  
SUGGESTED 1983 PRIORITIES AND STAFFING

1983 Priorities

- Complete special evaluation of development lending companies (DFCs) along lines set forth in section IV.B.
- Initiate a special evaluation of water and sewerage projects, incorporating interim, terminal and ex post evaluations. Focus should include searching for the reasons for a high proportion of such projects in the slow-starting and slow-disbursing categories as well as reviewing the impact of such projects.
- Review the results to date of the irrigation sectoral study to determine whether further work is justified, given the number of existing and planned irrigation projects, the consistency of the findings to date, any action already taken to overcome any problems encountered, etc.
- Review the results to date of the recurrent costs study and the nature of the request for information from the Board. Given the existence of a special study of recurrent costs problems in the Sahel and the availability of considerable country information in the Bank (and certainly at other development agencies such as the World Bank), it seems questionable whether the number of country visits proposed for this study is justified. It might be well to provide an interim report to the Board and obtain concurrence to a plan for further study prior to undertaking any further country visits.
- Monitor and support the functioning of the evaluation system -- see Section B.3. of Annex VIII.
- Initiate a special evaluation of rural development projects.

Staffing

- Assumptions:
- 1) Evaluations will usually be done on a team basis, i.e., usually two or more people will be assigned to each evaluation, although some of these may be short term externally-financed experts.
  - 2) The bulk of the present PEVA staff will be transferred to the new Central Evaluation Unit. However, it might facilitate the initiation of activity by the proposed evaluation unit in Operations if one or two members of the PEVA staff were transferred to the new unit in Operations.
  - 3) All members of the evaluation unit would provide reactions to draft evaluations prepared by any member of the unit.

- 4) Evaluators will usually not be assigned to more than one evaluation at a time, but they may be expected to perform special "quickie" analyses to support another member's evaluation. All will be expected to participate, generally in response to a specific assignment, in the monitoring and support activities cited in Section B.3. of Annex VIII.

Given the foregoing assumptions and suggested 1983 priorities, suggested staffing for 1983, in addition to externally-financed long and short term assistance, is as follows:

- 1 Director General for Evaluation (Chief Evaluator)
- 1 Economist/financial expert to complete DFC study
- 1 engineer and 1 economist for water and sewerage evaluation
- 1 economist to complete recurrent costs study
- 1 agricultural economist to wrap up irrigation sector study and participate in rural development evaluations
- 1 agricultural or rural development generalist and one rural sociologist to initiate a special evaluation of rural development projects
- 1 evaluation assistant to support the principal evaluators and to attend a number of meetings related to the monitoring and support of the evaluation system

NOTE: This level of staffing does not permit initiation of the evaluation of health and education projects, even though the analysis of slow-starting and slow-disbursing projects suggests that some study is needed there. If this were not undertaken through some interim evaluations by the Operations evaluation unit, it could be handled as a special evaluation by the Central Evaluation Unit by increasing the use of external assistance or by shifting priorities. It is also possible that the President or the Boards of Directors will require additional studies. Thus, the proposed staffing is minimal.

ANNEX VII

JOB DESCRIPTION FOR THE POST OF DIRECTOR GENERAL FOR EVALUATION

- Post : Director General for Evaluation
- Duty Station : ABIDJAN
- Level : Equivalent of a Departmental Director within the Bank Group's Salary Structure.
- Terms and Conditions : Contract service, initially for a two-year period.
- Timing for Commencement : January 1983
- Job Description : Under the general direction of the President of ADB, serves as the chief evaluation officer of the Bank. As such, the incumbent is responsible for:
- 1) Providing advice and counsel to the President of the Bank and the Boards of Directors of the Bank and the Fund on the evaluation of Bank/Fund activities, policies and procedures.
  - 2) Supervising a central evaluation unit with responsibility for:
    - a) conducting ex post project evaluations and special evaluations;
    - b) developing methodology and techniques for evaluating Bank Group projects/programmes;
    - c) advising on and participating in the training of Bank personnel in evaluation concepts and practices; and
    - d) monitoring and advising on the functioning of the evaluation system(s) of the Bank.
- Qualification & Experience : Advanced degree in economics, business administration, rural sociology, or other discipline with significant content related to international development plus 8 years experience among the following: development planning, project design/appraisal, project implementation, project evaluation, and management of an international development activity. Experience in conducting evaluations and supervising an evaluation programme highly desirable. Familiarity with evaluation methodologies essential, although this could be arranged as part of entry into position if incumbent was highly qualified in other areas mentioned above.
- Language : Fluency in either English or French and a good working knowledge of the second language.

ADMINISTRATIVE MEMORANDUM NO.  
 CONCERNING FUNCTIONS AND RESPONSIBILITIES  
 OF THE CENTRAL EVALUATION UNIT  
 ISSUED BY THE PRESIDENT ON \_\_\_\_\_

The PRESIDENT of the African Development Bank,

HAVING REGARD to the increasing activity projected for Bank and Fund financing during the period of the Five Year Programme 1982-1986; and

HAVING REGARD for the potential importance of evaluation to the improvement of the efficiency and effectiveness of the Bank's operations;

DETERMINES that there shall be established a Central Evaluation Unit headed by a Director General for Evaluation who will report to the President of the Bank and that the functions and responsibilities of the Central Evaluation Unit shall be as follows:

A. FUNCTIONS

Generally to:

- (i) Provide advice and counsel to the President of the Bank and to the Boards of Directors of the Bank and the Fund on the evaluation of Bank/Fund activities, policies, and procedures and on the results of such evaluations;
- (ii) Conduct ex post project evaluations and special evaluations; and
- (iii) Monitor, advise on and support the functioning of the evaluation system(s) of the Bank.

B. RESPONSIBILITIES

1. Advise management on the evaluation of Bank/Fund activities, policies, and procedures

- 1.01 Recommend evaluation priorities and propose organizational changes when needed to carry out a strong evaluation programme.
- 1.02 To provide the President of the Bank and the Boards of Directors of the Bank and the Fund with an annual report on evaluation activities within the Bank, providing therein any recommendations deemed appropriate for strengthening the evaluation of Bank group activities or for responding to evaluation findings.
- 1.03 To provide information or undertake studies that may be requested by the President or the Board of Directors of the Bank and the Fund.

2. Conduct Evaluations

- 2.01 Conduct ex post evaluations of selected projects funded by the Bank and Fund.

- 2.02 Conduct special evaluations. Illustrations of such evaluation include:
- i) an analysis of implementation problems of particular types of projects that appear to lead to slow disbursement;
  - ii) a review of the implementation or impact of a number of projects in the same country; or
  - iii) a retrospective examination of programme issues which are not country specific, such as the role of agricultural credit in rural development, etc.

3. Monitor, advise on, and support the evaluation system

- 3.01 Review draft appraisal reports to ensure that evaluation criteria are built into the project design, that any needed base line studies have been provided for, that there is an evaluation plan (when appropriate), and that the scheduling of interim evaluation(s), if appropriate, has been included in the implementation plan.
- 3.02 Review the reporting requirements levied on the borrower and/or contractors to ensure that the required reports include information about results in relation to plans, explanations of the reasons for deviations from plans, and any other information that should be readily available to the borrower/contractor which will help evaluators to understand what happened, how it happened and why it happened.
- 3.03 Reviewing borrowers' and consultants' reports for compliance with loan agreements or terms of reference.
- 3.04. Review and/or participate in the development of formats, checklists, instruction manuals, etc. related to the steps in the project cycle.
- 3.05 Reviewing draft evaluation reports prepared by other offices, focusing on the adequacy of review, the appropriateness of the methodology used, and the strength of the case made in terms of the conclusions reached and/or recommendations offered.
- 3.06 Review evaluation plans of other offices, both in terms of the adequacy and appropriateness of the methodology and plan and in terms of the adequacy of resources being devoted to the evaluation.
- 3.07 Develop and disseminate methodologies and techniques for evaluating Bank Group projects/programmes.
- 3.08 Advise on, and participate in, the training of Bank personnel in evaluation concepts and practices.