



METHODOLOGY AND
PROCESSES

EVALUATION MANUAL

FIRST EDITION

INDEPENDENT
EVALUATION OFFICE



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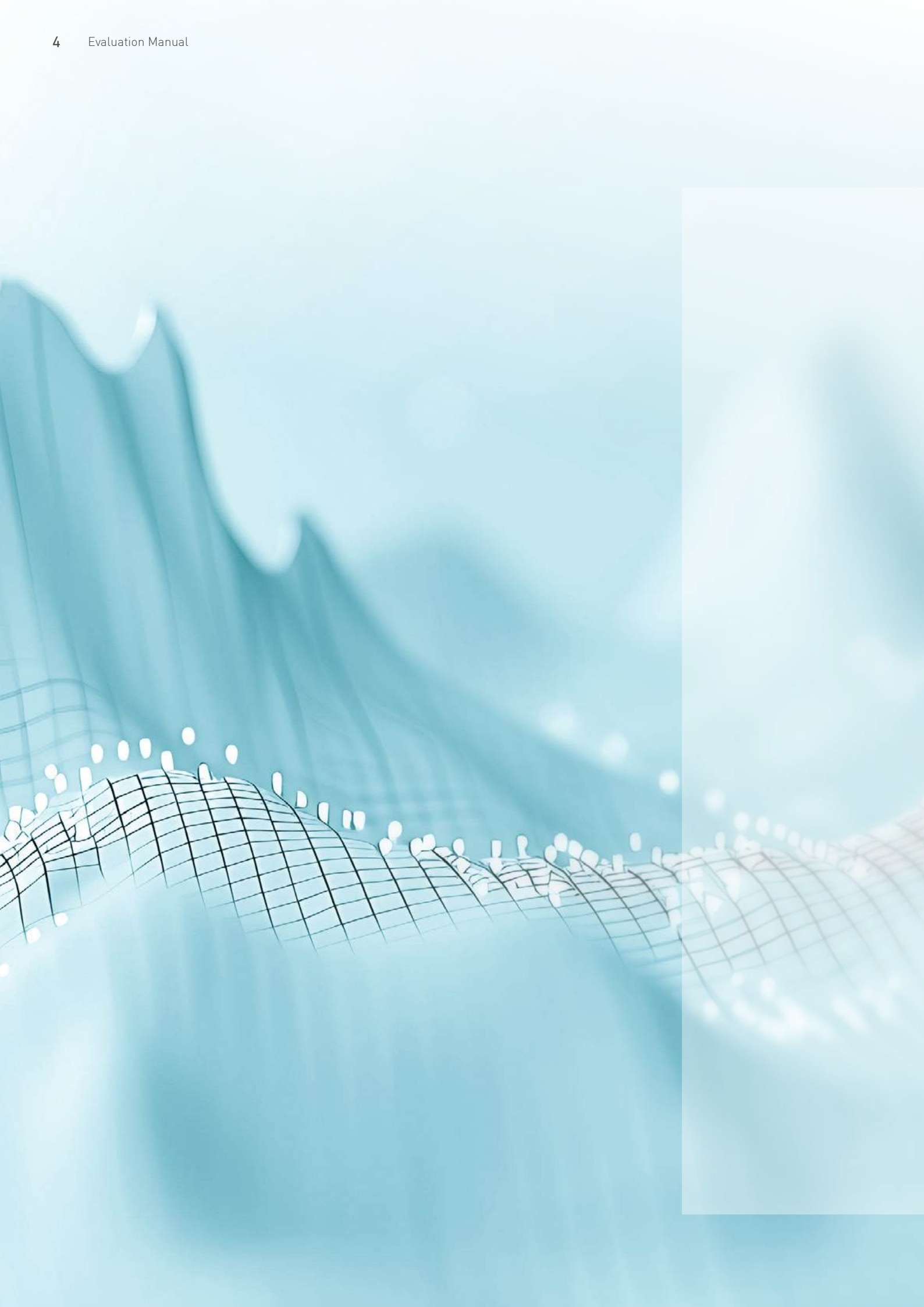
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FOREWORD



The Independent Evaluation Office (IEO) of the New Development Bank (NDB) is delighted to present this first edition of the Evaluation Manual. The Manual represents a significant milestone in our commitment to helping foster accountability, promote learning and drive the continuous improvement of NDB activities. Developed in alignment with the principles set out in the NDB Evaluation Policy and Evaluation Strategy, the Manual was shaped through a broad-based consultative process. It incorporates valuable feedback and insights from IEO staff, the NDB Inter-Departmental Working Group on Evaluation (IWGE), the High-Level Evaluation Advisory Committee (HLEAC), the NDB Board of Directors, and key stakeholders from NDB member countries.

The Manual highlights several important trends currently observed in the global evaluation field, recognising that not all of these can be fully captured in its current version due to practical considerations. Among these trends are the growing emphasis on systems-informed and transformation-focused evaluations, which are crucial for understanding the complex, multifaceted impacts of the Bank's interventions.

At the core of IEO's evaluation system is the use of recognised international practices and standards, particularly those established by the Evaluation Cooperation Group of the Multilateral Development Banks. This Manual provides clear and detailed guidance on evaluation methodologies and processes, while emphasising the importance of customising these methodologies to align with NDB's specific mandate, the unique needs and priorities of member countries, and the context of each evaluation. A distinctive feature of IEO's evaluation approach is its focus on leveraging country systems, engaging a broad spectrum of stakeholders, and building local capacities.

The Manual will serve as a comprehensive reference for IEO, and will also support NDB Management and staff conducting self-evaluations, by harmonising the quality standards for both self and independent evaluation, enhancing the consistency between the two and, ultimately, fostering a stronger results and evaluation culture at NDB. It also offers methodological guidance for partners conducting evaluations at the country level and serves as a resource for evaluation practitioners in general.

The Manual is more than just a guide for conducting evaluations: it is a living document that will evolve as NDB continues to grow and adapt to the ever-changing global development landscape. As such, it will be periodically updated to incorporate lessons from its implementation, new insights, methodologies and practices. This approach highlights the importance of continuous learning and adaptation for both IEO and the Bank, ensuring that our evaluation work is always relevant, robust and forward-looking, and supports NDB's development effectiveness.

Ashwani K. Muthoo
 Director General, Independent Evaluation Office
 New Development Bank





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The Independent Evaluation Office (IEO) of the New Development Bank (NDB) would like to thank all those who contributed to this first edition of the Evaluation Manual. Special thanks go to: the Board of Directors for their guidance upfront and for reviewing the document before its finalisation; the NDB Inter-Departmental Working Group on Evaluation for bringing knowledge and views from across the Bank; various other NDB colleagues in particular from the Operations Department, the Corporate Secretariat Department, and the Strategy, Policies and Partnerships Department; the external expert members of the NDB High-Level Evaluation Advisory Committee; and the BRICS Policy Center in Brazil and other monitoring and evaluation institutions in NDB member countries for adding valuable peer insights and inputs.

The Manual was developed and written under the overall supervision of Mr. Ashwani K. Muthoo, Director General, IEO. He was ably supported by: Ms. Nidhi Chaudhary and Ms. Ranjani K. Murthy, who were the lead drafters of the document; Ms. Jaqueline Rabelo Souza for communication and design, and administrative support; and Mr. John Laird for editing and proofreading. Thanks also to all other IEO staff and consultants who provided inputs throughout the process.

IEO is exclusively responsible for the contents and quality of this Manual.

ABBREVIATIONS & ACRONYMS

BHRC	Budget, Human Resources and Compensation Committee
BRICS	Brazil, Russia, India, China and South Africa
CEH	Climate and Ecosystem Health
CLE	Corporate-Level Evaluation
CPE	Country Portfolio Evaluation
DAC	Development Assistance Committee
ESR	Evaluation Synthesis Report
ECG	Evaluation Cooperation Group of the MDBs
EMDC	Emerging Market and Developing Country
HLEAC	High-Level Evaluation Advisory Committee
IWGE	Inter-Departmental Working Group on Evaluation
MDB	Multilateral Development Bank
OECD	Organisation for Economic Cooperation and Development
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PPE	Project Performance Evaluation
SDG	Sustainable Development Goal
ToC	Theory of Change

01

BACKGROUND

- 1.1 The global development context
- 1.2 The mandate and role of NDB
- 1.3 NDB's specificity
- 1.4 Trends in development evaluation for better impact
- 1.5 The objectives and audience of the evaluation manual
- 1.6 Process and structure of the evaluation manual

1.1 The global development context

1. In today's multifaceted global development landscape, economic growth and poverty reduction are intertwined with environmental sustainability, gender/social equity, and human well-being. Technology, globalisation and international cooperation play pivotal roles in influencing the direction of global development efforts.
2. The world faces a long road ahead to attain strong and sustainable economic growth while safeguarding the well-being of the natural world. According to the Organisation for Economic Cooperation and Development's (OECD) 2024 projections, global growth is expected to reach a modest 3.1%, significantly lower than the average growth rate observed in the decade preceding the COVID-19 pandemic.¹ This subdued growth is compounded by various factors, including political unrest in certain regions, the reality of climate change, mounting household and corporate debt, and inflationary pressures. These economic and environmental challenges not only hinder progress in health, income and overall well-being but also have a disproportionate impact on emerging market economies and developing countries (EMDCs).
3. EMDCs also have an important role in global trade, accounting for over 35% of total trade volume in 2020. The burgeoning trade among EMDCs highlights the critical need for infrastructure investment to enable this growth. In an era where trade increasingly relies on knowledge and technology, investments in digital and development infrastructure are more important than ever.³
4. EMDCs are also experiencing significant demographic shifts, such as aging populations and rapid urbanisation. By 2030, the segment of the population over 65 years of age is expected to increase, and urban dwellers are projected to constitute 54% of EMDCs' populations.⁴
5. These demographic trends necessitate enhanced infrastructure for clean energy, water, housing, transportation and social services to foster human capital and inclusive growth.

3.1%

Global growth is expected to reach a modest 3.1%, significantly lower than the average growth rate observed in the decade preceding the COVID-19 pandemic.

50%

EMDCs are critical drivers of global economic growth, accounting for 50% of global GDP in 2023.

66%

EMDCs are critical drivers of global economic growth, 66% of global GDP growth between 2013–2023.

6. Concurrently, the urgency to combat climate change is accelerating. Institutions like NDB are amplifying their commitment to climate action, with substantial infrastructure investment required to meet the nationally determined contributions of NDB member countries, particularly in climate adaptation.

¹ OECD, *OECD Economic Outlook, May 2024*. See here: <https://www.oecd.org/economic-outlook/may-2024/>.

² *World Economics (2024)*. See here: <https://www.worldeconomics.com/Regions/Emerging-Markets/>.

³ NDB, *General Strategy for 2022–2026*. See here: <https://www.ndb.int/about-ndb/general-strategy/>.

⁴ *Ibid.*

7. Amidst these dynamics, sustainable infrastructure development has become paramount in global development discourse. NDB underscored its significance in its General Strategy for 2022–2026. However, the Sustainable Development Report for 2023 paints a concerning picture: progress toward achieving the Sustainable Development Goals (SDGs) is significantly off-track halfway towards the 2030 deadline, largely due to the compounding effects of climate change, the COVID-19 pandemic and other economic inequalities, particularly in developing countries.⁵ Despite these setbacks, EMDCs are beginning to make a slow recovery, indicating a resilient push towards regaining momentum in their sustainable development efforts.⁶
8. The BRICS Policy Center in Brazil, a regional think-tank, observes that the SDGs demand a “(social) territorial development” approach. According to this principle “every action in favour of an egalitarian fulfilment of social needs and potentialities and of the reproduction of human and non-human life can itself be defined as development, while those actions that harm these purposes can be configured perhaps as economic growth, but never as development” (see box 3 for more information). Progress towards achieving the SDGs is only possible when egalitarian fulfilment of economic, environmental and social needs and potentialities is fostered.

1.2 The mandate and role of NDB

9. NDB was established in 2014 by the governments of Brazil, Russia, India, China and South Africa (BRICS or the BRICS countries), and subsequently joined by Bangladesh, Egypt and the United Arab Emirates, collectively representing more than 40% of the global population. NDB’s overarching mandate is to mobilise resources for infrastructure and sustainable development projects, not only within the BRICS nations but also in other EMDCs. NDB fulfils its mandate by complementing the ongoing efforts by multilateral and regional financial institutions to promote global growth and the development agenda. It distinguishes itself as an institution established by and for EMDCs, promoting global development aspirations through cooperative collaboration. As a crucial outcome of the BRICS cooperation mechanism, NDB also plays a significant role in fostering the collaborative efforts of BRICS countries and EMDCs within the international community.
10. To ensure that meaningful impact is achieved in the EMDC development context, and that resources are not scattered across a wide range of areas, NDB will finance projects in six areas of operation, identified based on the current focus of its member countries, the development challenges faced by EMDCs and global trends.
11. As delineated in its General Strategy for 2022–2026, these six strategic areas of operation are the following critical sectors: clean energy, transport infrastructure, water and sanitation, environmental protection, social infrastructure, and digital infrastructure. Additionally, the Bank places importance on cross-cutting considerations that encompass promoting climate and disaster resilience, technology integration, and inclusiveness (including gender and indigenous peoples’ groups). This comprehensive approach underscores NDB’s commitment to addressing pressing global challenges, ranging from environmental sustainability and social inclusion to technological advancement.



5 UN DESA. 2023. *The Sustainable Development Goals Report 2023: Special Edition – July 2023*. New York, USA.

6 Gourinchas, Pierre-Olivier, *Global economy on track but not yet out of the woods*, IMF, 2023.

12. NDB's approach is fundamentally collaborative, seeking partnerships with other multilateral development banks (MDBs), governments, private sector entities, civil society organisations and client organisations where possible. These partnerships serve not only to pool financial resources but also to share knowledge, experiences and good practices, thereby enhancing NDB's impact and reach.
13. The uniqueness of NDB is summed by its President, Dilma Rousseff, as follows: *"The New Development Bank is, in essence, a cooperative of countries that share an inarguable commitment to the climate and environmental agenda, to the social-inclusion and inequality-reduction agendas, and to the economic modernization agenda of the countries of the Global South."*⁷

1.3 NDB's specificity

14. NDB was founded with a unique genesis and mandate, characterised by a distinctive operating model that emphasises country ownership, the use of country systems, thorough consultation, proactive engagement and dialogue, and a commitment to being driven by its membership. NDB stands out for not imposing policy conditionalities alongside its investments, instead choosing to nurture national initiatives and respect the autonomy and developmental priorities of its member countries.
15. **Country ownership** is central to NDB's approach to achieving effective development cooperation. The Bank places the development aspirations of its member countries at the core of its operations. This commitment entails full respect for the national sovereignty and ownership of member countries in driving their development priorities, alongside ensuring that there are no policy strings attached to the Bank's investment decision-making. By adopting a member country and client-centric approach, NDB maintains a focused effort on providing tailored solutions, including financing, credit enhancement, capacity-building, and project development support, which are designed to meet the diverse development contexts of its regions of operation.
16. **Member country systems** are integral to the Bank's operational approach. That is, NDB follows the policies and procedures of its member countries, particularly in the areas of environmental and social governance, and procurement. On its part, NDB conducts periodic in-depth and systematic reviews of its member countries' systems. These reviews are essential for tracking and monitoring changes in national legislations and regulations to ensure their relevance, clarity and consistency, and for NDB to learn from good practices. As NDB's membership expands, it commits to assessing the country systems of new members, ensuring they align with the sustainability objectives of the Bank's projects and vice versa. This meticulous process allows the Bank to tailor its approach to specific national contexts effectively.
17. **Participation** is a pillar of NDB's strategy, emphasising the importance of engaging with a broad spectrum of stakeholders, including government institutions, private sector partners, research and academic organisations, Board members, client groups, civil society groups and others, at appropriate stages in the programme and project life cycle. This inclusive consultation process, wherein diverse views are captured, ensures that operations are finely tailored to meet the unique development challenges and aspirations of its member countries.
18. **Having a strong "on the ground presence" in member countries** is key to the Bank's efforts to deepening its relationship with member countries, understanding their needs and priorities to jointly promote investments in infrastructure and sustainable development, and delivering on its mandate. Along with its headquarters in China, the phased establishment of the Bank's regional offices and centres in Brazil, Russia, India and South Africa is allowing the organisation to get closer to its clients, and better understand and respond to their needs and expectations.

⁷ Address at the opening of the plenary session of the 8th Annual Meeting of NDB.

- 19. Membership-driven imperative.** Expanding its membership remains a strategic priority for NDB, aiming to establish itself as a global institution that can make a relevant contribution to accelerating the achievement of the SDGs and other international agreements signed by its member countries. Discussions with potential new member countries come under the oversight of the Board of Governors and Board of Directors.
- 20.** The above-mentioned features of the Bank are critical in the development of this Manual. In particular, the Manual ensures that the evaluation methods and processes proposed are properly customised to NDB's specific context, enhancing the usefulness and utility of evaluations done by IEO and the Bank at large.

1.4 Trends in development evaluation for better impact

- 21.** The following paragraphs highlight important trends currently observed in the global evaluation field. IEO recognises that given practical considerations, only some can be reflected in its current work. This manual is therefore also a living document which will evolve as NDB and IEO systematically advance their work.
- 22. A holistic understanding of “impact”.** Recent discussions surrounding the enhancement of evaluation impact extend beyond the traditional assessment of project effectiveness, delving into a comprehensive evaluation approach that encompasses long-term impacts, synergies and trade-offs. As highlighted in the Evaluation for a Heightened Impact from NDB in 2022,⁸ international development banks like NDB face the imperative task of evaluating multiple bottom-line impacts, including economic growth, inclusion/equity, environmental considerations, and governance aspects. This requires “whole systems” thinking. This means, among other things, combining multiple methodologies that reflect a holistic understanding of impact across all these aspects, shedding light on the totality of what is being achieved, how, for whom, by whom, when (on what trajectory), under what conditions and at what cost. It also supports the trend towards cost-benefit analysis, especially full-cost accounting, which accounts for both positive and negative environmental and social outcomes. This approach makes it possible
- to weigh the financial costs against all the outcomes and trade-offs, helping to ensure that evaluations drive meaningful and cost-effective decisions.
- 23. A systems-informed approach to development and to evaluation.** Over the past decade, global development and evaluation communities have increasingly recognised that it is less effective to look at individual components (whether an activity, project, programme, policy, institution, etc.) in isolation; instead, it is crucial to consider how components interact and influence one another. This realisation acknowledges that everything is connected in some way and that changes in one part of a system can impact other parts. This is also expressed in the explicit notion of the indivisibility of the Global Goals in the 2030 Agenda for Sustainable Development. There is, therefore, an accelerating shift towards evaluation designs and methods that consider the complexities of real-world situations rather than relying solely on linear, reductionist thinking. Such systems-informed evaluation recognises that cause-and-effect relationships are usually difficult to predict, and this necessitates ongoing learning and adaptation, as well as respect for local knowledge which is often honed over many centuries. It is accelerating a shift away from an exclusive focus on projects and moving towards the evaluation of (interconnected) portfolios, strategies and policies. It requires accounting

⁸ Vinod Thomas, IEO lecture series: Evaluation for a Heightened Impact from the NDB, NDB, 2022. <https://www.ndb.int/event/evaluation-for-a-heightened-impact-from-the-ndb/>.

for both direct and indirect impacts, spanning positive and adverse effects, and working with changes that transcend geographical boundaries across provinces, countries and regions. It means dealing with the complex task of assessing trade-offs between what appear to be competing development priorities, such as economic growth and climate resilience. Evaluation designs and approaches that reflect systems thinking include realist evaluation, dynamic evaluation, developmental evaluation and principles-focused evaluation. Systems-informed methodologies useful for evaluation include ripple effects mapping, outcomes harvesting, contribution analysis, process tracing, qualitative comparative analysis, agent-based modelling, social network analysis, and many more.

24. Evaluation in support of organisational risk management. Organisational and behavioural independence of the evaluation function, underscored by rigorous Board oversight and Management response, helps manage organisational risk by enhancing both accountability and learning. An external, impartial lens on what is being done and achieved – usually in the form of a (often forward-looking) summative and/or impact evaluation, which can be complemented by an emphasis on diagnostic and design evaluations to strengthen theories of change (ToCs) from the start. It can also be complemented by evaluation approaches that support learning for decision-making, including for adaptive management, for example through real-time, mid-term, or developmental evaluation, and rapid studies to test hypotheses related to pathways of change. This approach reduces the risk of intervention failure by helping to identify emerging challenges during implementation and allowing for timely course corrections.

25. Using cutting-edge tools and techniques. Another significant development in evaluation methodology is the increased use of cutting-edge tools and techniques. This includes harnessing the potential of big data, digital technology

and artificial intelligence in order to support and complement traditional qualitative and quantitative methods. These innovative tools enhance data collection, analysis, and dissemination, offering new insights and efficiencies. Detailed applications, challenges, and solutions for these tools are discussed in section 3.3.

26. Transformation-focused evaluation. Multiple global agreements, such as the Paris Agreement and Agenda 2030 for Sustainable Development with its 17 SDGs, highlight the urgent need for local to global transformations. They acknowledge that significant change will not be achieved without transforming the systems and mindsets that determine what we are, how we live, and our place in the natural world. Over the past decade, transformation-focused evaluation has therefore emerged as essential, yet faced challenges to enter the mainstream as it requires new ways of thinking and working. National capacities in this area of work still need to be developed, supported by multiplying evaluation conference themes, books and articles. A significant understanding of context, culture and systems – and complexity-informed approaches to change, as well as the need to create alignment, synergies and cooperation are essential for this field of work. It therefore requires moving beyond traditional evaluation criteria and questions – and several sets of principles are emerging to guide practice. “Blue Marble Evaluation”⁹ was the first articulated systematic approach to evaluation in support of transformation, but advances are continuing, among others, by the pioneering Transformational Change Learning Partnership (TCLP) of the Climate Investment Funds (CIFs). The primary aim of TCLP is to engage with a diverse set of CIF stakeholders from MDBs, CIF donor and recipient countries, other climate finance institutions, and civil society organisations to address questions on what transformational change means and collectively clarify how contributions of international climate finance can drive transformational climate action.

⁹ Blue Marble Evaluation is a global initiative focused on training the next generation of evaluators to “Think Globally, Act Globally and Evaluate Globally”. See here: <https://bluemarbleeval.org/about/>.

Box 1: Transformative evaluation

This approach, developed by Donna Mertens in 2009, is a subcategory of “Transformation-focused Evaluation” and refers to how evaluation foci and processes can themselves support transformation. It explains that the transformative paradigm provides a framework for addressing inequality and injustice in society using culturally aware, mixed-method strategies. The recognition that realities are constructed and shaped by social, political, cultural, economic, and racial/ethnic values indicates that power and privilege are important determinants of which reality will be privileged in a research or evaluation context. Methodological inferences based on the underlying assumptions of the transformative paradigm reveal the potential strength of combining qualitative and quantitative methods. A qualitative dimension is needed to gather community perspectives at each stage of the research process, while a quantitative dimension provides the opportunity to demonstrate outcomes that have credibility for community members and scholars. Transformative mixed methodologies provide one mechanism for addressing the complexities of evaluation in culturally complex settings that can provide a basis for social change.

- 27. “Decolonising”** evaluation calls for removing the legacy of colonisation from mindsets, systems, and practices in development, as well as in evaluation. This approach has sparked growing interest in exploring what modern evaluation would look like if its fundamental theories and practices were developed in the Global South rather than the Global North. As a result, over the past two decades, indigenous evaluation, Made in Africa Evaluation, evaluation in the context of South–South Cooperation principles, and other forms of rethinking evaluation approaches and practices have spurred efforts at innovation, with significant implications for the type of evaluation questions, criteria and processes to be used. These developments are particularly pertinent in the context of the BRICS, which offer new opportunities for collaboration, mutual learning and innovation that can help bring new evaluation theories and practices to the fore for better results.
- 28. Influential evaluations** are designed to significantly impact decision-making, policy formulation, and programme improvements. Key considerations include ownership of evaluations, the need to produce credible evidence that resonates with policymakers, and the requirement for multiple evaluation products to cater to diverse user groups.¹⁰ Additionally, there is a stronger focus on creating collaborative spaces that generate influential evaluations.

1.5 The objectives and audience of the evaluation manual

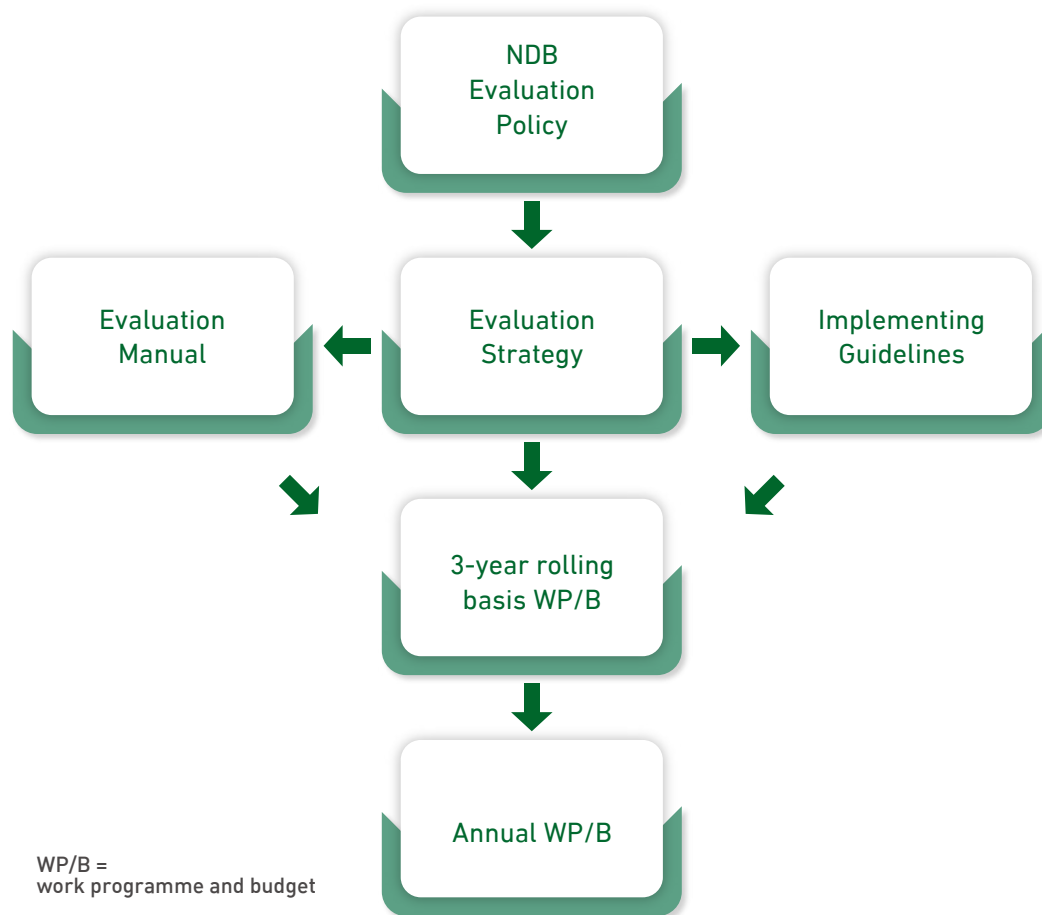
- 29.** NDB adopted its Evaluation Policy,¹¹ approved by the Board of Directors, in August 2022. The Policy outlined the importance for the Bank of developing an Evaluation Manual with “state-of-the-art” evaluation criteria, tailored to NDB’s unique context. The Evaluation Strategy 2024–2026¹² – the second key piece of NDB’s evaluation architecture, approved in 2023 – also outlines how an Evaluation Manual is needed to fully operationalise the Evaluation Policy and implement the IEO work programme.

10 Independent Evaluation Office, IDEAS, International Evaluation Academy, UNICEF Evaluation Office and IFAD, *What are the key collaborative arrangements needed to generate influential evaluations?* NDB IEO, 2023.

11 See here: https://www.ndb.int/wp-content/uploads/2024/04/NDB_IEO_Evaluation-Policy-.pdf.

12 See here: <https://www.ndb.int/wp-content/uploads/2023/12/IEO-Evaluation-Strategy-2024-2026.pdf>.

FIGURE 1: IEO POLICY FRAMEWORK



30. Keeping the above in mind, the specific objectives of the Evaluation Manual are to:

- Support the undertaking of high quality, credible and rigorous evaluations;
- Codify evaluation methods and processes to promote consistency across evaluations;
- Generate a common understanding among stakeholders and provide transparency in the evaluation approaches followed;
- Promote harmonisation across NDB's independent and self-evaluation activities;¹³ and
- Serve as a key resource for building an evaluation and results culture across the Bank, and to help with the development of evaluation capacity amongst NDB staff and relevant partners in NDB member countries.

31. In terms of audience, the Evaluation Manual will primarily serve as a comprehensive reference for IEO at NDB, guiding all types of evaluations. Additionally, the manual will be instrumental for NDB Management and staff in harmonising independent and self-evaluation activities, and in conducting self-evaluations such as the preparation of project completion reports (PCRs). It also offers methodological guidance for partners conducting evaluations at the country level and serves as a resource for evaluation practitioners in general.

13 Self-evaluation is the responsibility of NDB Management.

1.6 Process and structure of the evaluation manual

- 32. Process.** The Manual was produced by IEO following a broad-based consultative process, which included reviews and comments at different stages by IEO staff, the NDB Inter-Departmental Working Group on Evaluation (IWGE), and the High-Level Evaluation Advisory Committee (HLEAC) (see para. 50 for more information on the IWGE and HLEAC). The Board of Directors provided guidance at the outset of the process and reviewed the Manual before its finalisation. The Manual benefits from a thorough benchmarking analysis of evaluation methodologies and processes done by IEO to build on international good practices in key peer organisations. Finally, the Manual benefits from a dedicated contribution by the BRICS Policy Center in Brazil, which prepared a technical paper on evaluation processes and methodologies specifically in the Global South, including ways and means to strengthen stakeholder engagement and ownership in evaluation processes.
- 33. Structure. The Evaluation Manual is composed of five detailed chapters.** It begins with this introductory background chapter (the current chapter), which discussed NDB's mandate and unique role, explored current trends in development evaluation for more effective outcomes, and outlined the Manual's objectives and audience. This chapter serves as a gateway to the comprehensive content that follows, laying the groundwork for a deeper understanding of NDB's evaluation processes.
- 34.** Chapter two presents a comprehensive overview of NDB's evaluation architecture, also outlining the roles of the Bank's independent and self-evaluation functions, NDB Management and staff, and the Board of Directors.
- 35.** The third chapter is dedicated to evaluation methodology, emphasising the necessity for tailoring this methodology to align with NDB's specific mandate and context. It encompasses a range of elements such as evaluation criteria, possible evaluation questions, the rating system, tools for data collection and analysis, approaches to contribution and attribution analysis, the utilisation of triangulation, and the formation of an evidence trail. Chapters four and five are, respectively, about IEO's evaluation processes and product mix (i.e. types of evaluations done by IEO).
- 36.** Finally, the annexes include the selectivity framework to guide the prioritisation of evaluations to be included in IEO's annual work programme, the list of the Evaluation Cooperation Group (ECG) evaluation criteria, the OECD's Development Assistance Committee (DAC) evaluation criteria and 2019 definitions, evaluation questions on the cross-cutting considerations in the NDB General Strategy for 2022–2026 and a reference bibliography.
- 37.** It is important to note that evaluation methodologies and processes evolve on a constant basis. This era of multiple crises presents opportunities as well as momentous challenges. As such, this Manual will be considered a "living" document and will be updated periodically to advance and tailor its approaches and practices as appropriate. Future additions may include a stronger focus on systems evaluation, transformation evaluation, and the innovative approaches offered by BRICS and South-South learning and cooperation. Such updates will ensure that the Manual remains aligned with the evolving trends in development evaluation,

which are also periodically revised to adapt to possible changes in NDB's priorities and focus. Moreover, it is important to note that innovative approaches which are not captured in this Manual may also be considered by IEO in individual evaluations. The point is that this Manual is not intended to be prescriptive but provides a starting point for evaluation design and customisation. Lastly, a comprehensive review of the Manual will be done in a few years, building on the initial experiences from its implementation, NDB's evolving priorities, good practices in evaluation in other multilateral organisations, and priorities within NDB member countries. IEO tentatively plans this first review for 2027, marking five years since the Office's establishment, to ensure that ample evidence is available for a meaningful review.

38. Uniqueness. While there are several evaluation manuals developed by other MDBs and organisations that guide the undertaking

of development evaluations, this manual is somewhat different for the following reasons:

- (i) It is not intended to be prescriptive in nature, but offers general guidance in conducting evaluations;
- (ii) While it advocates selected methods and processes, it pays deep attention to customising evaluation design at the outset of the process;
- (iii) It puts the recipient countries and their priorities at the centre of evaluation, which are not conceived as supply or "donor" driven (see box 2); and
- (iv) Though the Manual is largely intended for IEO and NDB more widely, as mentioned before, it may serve as a key resource for evaluation capacity development in NDB member countries and beyond.

Box 2: Putting recipient countries and their priorities at the centre of evaluation – the experience of IEO in South Africa

In 2024, IEO undertook an evaluation of the NDB-financed Renewable Energy Sector Development Project in South Africa. The evaluation was guided by traditional criteria – relevance, effectiveness, efficiency, impact and sustainability – as well as two additional criteria reflecting South Africa's specific evaluation priorities as outlined in the country's National Evaluation Policy Framework 2019–2024. This framework emphasises the importance of transformative equity and climate and ecosystem health (CEH) in evaluation processes.

Transformative equity focuses on how a project's goals, planning, execution, and outcomes address or perpetuate systemic inequities, with the aim of promoting a more inclusive society. The CEH criterion assesses the interaction between project activities and climate and ecosystems, providing insights on how to enhance strategies to positively impact CEH and increase the resilience of both the intervention and its intended beneficiaries to climate change.

These additional criteria were integrated with the standard evaluation criteria to ensure a thorough and context-sensitive assessment. This approach exemplifies how IEO tailors evaluation designs to align with the specific priorities of host countries, demonstrating the unique and adaptive nature of its evaluation methodology as advocated in the manual.

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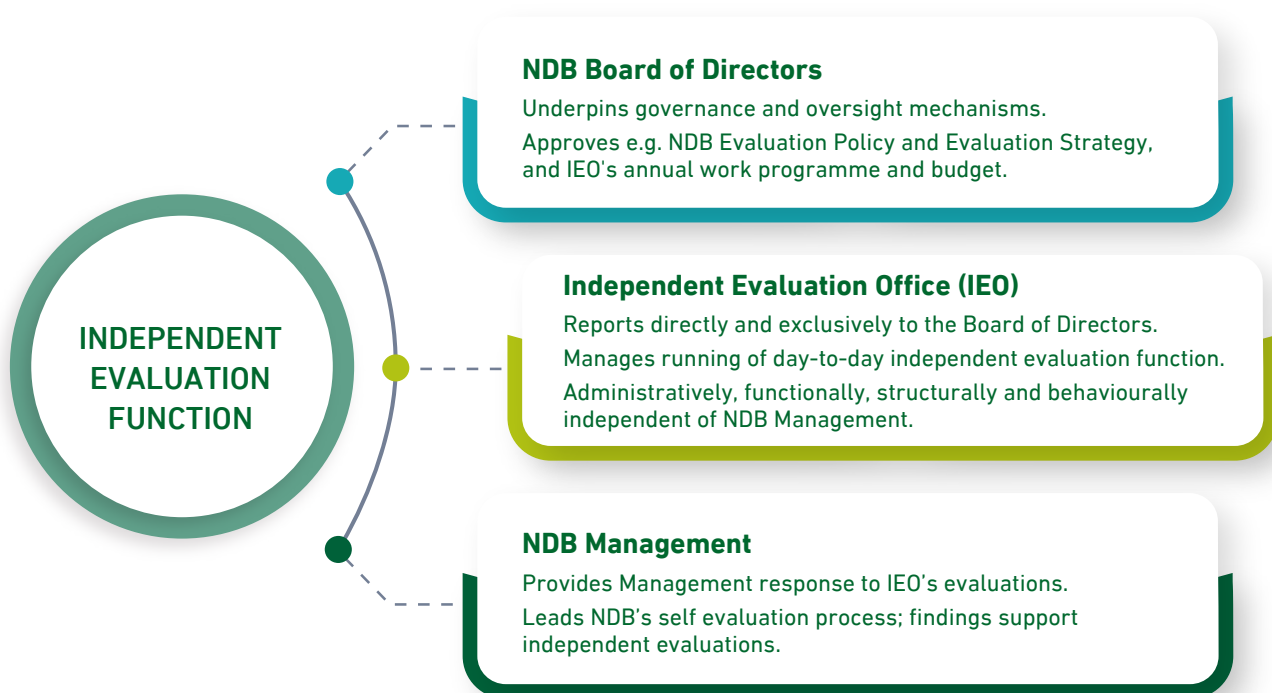
NDB'S EVALUATION ARCHITECTURE

- 2.1 The importance of evaluation at NDB
- 2.2 The self-evaluation function
- 2.3 Independent evaluation
- 2.4 The role of NDB Management
- 2.5 The role of the Board of Directors
- 2.6 The independent evaluation work programme

39. NDB places a paramount emphasis on the role of evaluation to ensure the effectiveness and impact of its initiatives. Central to this commitment are two core evaluation functions: self-evaluations conducted by NDB Management, which facilitate real-time adjustments and continuous improvement; and independent evaluations carried out by IEO, ensuring unbiased assessment, and reinforcing the Bank's accountability, transparency and learning. These functions operate within a framework designed not only to assess the

immediate outcomes and long-term impacts of projects and policies but also to inform strategic decision-making processes, enhancing the Bank's responsiveness to the evolving needs of its member countries. Integral to this architecture are the roles of NDB Management and the Board of Directors. This chapter delves into the intricacies of NDB's evaluation architecture, highlighting its significance in advancing the Bank's mission to support sustainable and inclusive development and growth across its member countries.

FIGURE 2: NDB'S EVALUATION ARCHITECTURE



2.1 The importance of evaluation at NDB

40. The evaluation architecture at NDB is designed to enhance its development effectiveness and advance the fulfilment of its mandate. By systematically evaluating its projects, policies, strategies, processes, and instruments, NDB aims to gauge their performance, draw valuable insights from past endeavours, and refine strategies, policies and approaches for future initiatives. Evaluation is conceived in NDB as a thorough and objective examination of ongoing or completed projects, programmes or policies in terms of their design, implementation, and results. The primary objectives are to evaluate the relevance, effectiveness, efficiency,

impact, and sustainability of these initiatives. Such evaluations generate credible, actionable information, facilitating the integration of lessons learned into the strategic planning and decision-making processes within and beyond the Bank. In alignment with the Good Practice Standards of the Evaluation Cooperation Group (ECG) of the MDBs, NDB is committed to the harmonisation of methods and processes across self and independent evaluation activities.

- 41.** To formalise and reinforce this commitment, NDB established the IEO in 2022, which, as previously mentioned, developed the NDB Evaluation Policy in 2022 and the Evaluation Strategy 2024–2026 in 2023. This move underscored the Bank's systematic approach to evaluation, highlighting the importance of evaluation at NDB through three pivotal objectives, as follows:
- (i) **Firstly, through accountability to stakeholders, underscoring the commitment to achieving value for money and tangible developmental results and impact.** Through evidence-based assessments of results from NDB's financial support and other assistance, the Bank seeks to ensure projects and related efforts achieve their goals and significantly contribute to the broader development agenda of member countries. This accountability is vital for retaining stakeholder trust and validating the Bank's operational decisions and financial commitments.
 - (ii) **Secondly, NDB places a strong emphasis on learning and feedback mechanisms.** By critically evaluating current and past policies, strategies, instruments, processes, programmes and projects, NDB aims to continuously improve the quality and efficacy of its initiatives. As such, evaluations devote significant attention to generating lessons and recommendations, and documenting good practices, which can be fed back into relevant design and implementation processes. In general, IEO will devote enhanced attention to knowledge generation and sharing within and beyond the Bank.
 - (iii) **Thirdly, providing independent feedback to the Board of Directors** aims to strengthen governance, transparency and oversight, with the broader aim of ensuring that NDB's activities are aligned with its mandate and strategic priorities, enhancing its development impact, and ensuring fulfilment of NDB's mandate.
- 42.** Through these objectives, NDB's evaluation architecture – encompassing both independent and self-evaluation systems – serves as a vital tool for accountability and learning. This dual approach facilitates a comprehensive understanding of the Bank's operations at the strategic and operational levels, providing actionable insights that drive continuous improvement. By making IEO's independent evaluation findings publicly available, barring exceptional circumstances, NDB fosters a culture of openness, transparency and collaboration, contributing to the global knowledge base on development effectiveness. This transparent sharing of information and results not only benefits the Bank and its immediate partners but also the wider community of development practitioners and policymakers, facilitating evidence-based programming and informed decision-making across the development sector.
- 43.** In essence, NDB's robust evaluation architecture is instrumental in ensuring that the Bank remains agile, innovative and effective in addressing the complex development needs of its member countries, and in support of the decision-making and oversight of NDB's Management and Board. It is also important as a tool to strengthen organisational governance and transparency.

2.2 The self-evaluation function

- 44.** Within NDB, self-evaluation is a critical process managed by the Bank's units responsible for designing and delivering NDB-financed projects and development activities, operating under the oversight of NDB Management. These units prepare templates and guidelines for project supervision and the preparation of PCRs, which are key examples of self-evaluation products. These self-evaluation products should, to a large extent, adhere to the same principles and criteria outlined in this manual, ensuring that the entire NDB evaluation framework – both independent and self-evaluation – remains harmonised.
- 45.** The self-evaluation function is pivotal, as it equips Management with real-time feedback, thereby facilitating immediate and responsive actions to enhance the design and performance of projects, policies, strategies and operations.

Self-evaluation is also fundamental to foster a culture of continuous improvement and learning from experience, enabling the Bank to refine its approaches and interventions continuously.

46. Moreover, self-evaluation serves as a conduit for reporting performance and results of NDB to the Board of Directors, and any relevant sub-committee of the Board devoted to

results and evaluation. It provides essential insights and data, supporting IEO in conducting independent evaluations and validations of selected self-evaluation products. This layered evaluation approach ensures a comprehensive assessment of the Bank's activities, contributing to the overall transparency, accountability and effectiveness of NDB in achieving its developmental objectives.

2.3 Independent evaluation

47. IEO is administratively, functionally, structurally and behaviourally independent of NDB's Management, establishing a direct and exclusive reporting line to the Board of Directors. This independence contributes to the legitimacy and credibility of the evaluation function, minimises bias, and ensures that evaluations are free from external or internal influence or pressure as well as from perceived or real conflict of interest (i.e. that the process for conducting evaluations is not influenced by the decision makers responsible for the products and processes being evaluated). Despite its independence, IEO is an integral part of NDB, and its staff are NDB staff.
48. NDB has in place several processes to ensure the independence of IEO. For example, IEO prepares its annual work programme and budget independently (although informed by discussions with the Board, NDB Management, and other stakeholders) for approval by the Board of Directors. The responsibility for the carrying out of independent evaluations rests exclusively with IEO. Within the overall framework of independent evaluation, IEO will build partnerships and ensure stakeholder engagement at key stages in evaluation processes. NDB Management actively cooperates in independent evaluation processes managed by IEO and shares all the necessary data, information and reports with IEO to conduct its evaluations. IEO shares evaluation reports with Management before they are issued to verify factual accuracy and to obtain their views and responses on the evaluation findings, ensuring clarity and comprehensiveness without altering the judgements about quality and results of the evaluation findings. IEO independently validates selected self-evaluation products (other than those selected for project performance evaluations) prepared by Management such as PCRs, with the aim of contributing to strengthening the quality and credibility of the self-evaluation system. Additionally, as part of its work programme, IEO also carries out country portfolio evaluations, thematic evaluations, corporation-level evaluations and prepares evaluation synthesis reports (see chapter 5 for more information on IEO's evaluation types).
49. IEO ensures that the whole evaluation function at NDB follows internationally recognised good standards and practices in line with the practice in other MDBs and United Nations organisations. Independent evaluation also complements but is distinct from the other NDB oversight functions such as compliance, investigations and internal audit.
50. Further support for IEO activities comes from the High-Level Evaluation Advisory Committee and the Inter-Departmental Working Group on Evaluation. The HLEAC was established by the NDB Board of Directors in December 2022 and provides strategic guidance to the Director General of IEO on evaluation strategy, priorities, methodology, and other pertinent issues, enhancing the office's capacity to deliver on its mandate. The IWGE, on the other hand, was established in 2023. The aim of the working group is to strengthen the Bank's evaluation and results culture Bank-wide, sharing information and knowledge on evaluation matters, and allowing working group members to provide comments and feedback to IEO on strategic evaluation products.

2.4 The role of NDB Management

- 51.** NDB Management plays a crucial role in the Bank's evaluation ecosystem, specifically through its responsibility for the self-evaluation function and the communication of performance and results of NDB to the Board of Directors. Management oversees the self-evaluation function, ensuring that projects, policies and strategies are designed in a manner that makes them evaluable, thereby facilitating the systematic assessment of their implementation and results. Management's active engagement and feedback in this process is essential for making timely adjustments to project designs and implementation strategies to optimise outcomes. This critical function underscores the importance of reflective practice and continuous improvement within the Bank's operations. Management's role extends to ensuring that evaluations facilitate learning, influencing future projects, policies and strategies to better align with the Bank's objectives and the needs of its member countries.
- 52.** Key to this process is Management's engagement with IEO. Upon receiving recommendations from independent evaluations, NDB Management is tasked with crafting a Management Response. NDB Management has an equal and independent view to agree/partially agree/or not agree with all the recommendations from IEO evaluations, and ensures that actionable insights are not only acknowledged but also integrated into the Bank's practices, enhancing accountability and operational effectiveness.
- 53.** Moreover, it is the responsibility of NDB Management to provide IEO with timely access to all the data and information required for conducting thorough evaluations. Such cooperation between Management and IEO is fundamental for maintaining the quality and relevance of evaluations. The process of sharing independent evaluation reports with Management before their issuance allows for the verification of factual accuracy and the opportunity to comment, further emphasising the collaborative nature of the evaluation process within NDB.

2.5 The role of the Board of Directors

- 54.** The Board of Directors holds a pivotal position in terms of evaluation at NDB, underpinning the governance and oversight mechanisms that ensure the Bank's accountability, transparency and effectiveness in its development initiatives.
- 55.** Among other tasks related to evaluation, the Board of Directors is responsible for approving the Bank's current and any future Evaluation Policy and Evaluation Strategy. It approves IEO's annual work programme and budget, and provides feedback on the rolling work programme for the subsequent two years. It is responsible for the selection and appointment of the Director General of IEO, and his/her annual performance assessment.
- 56.** As in other MDBs/international financial institutions (IFIs), the Board is responsible for the oversight of both the independent and self-evaluation systems. The Board reviews key evaluation reports prepared by IEO, and takes decisions and provides guidance to IEO and NDB Management for the way forward. It also considers selected self-evaluation products prepared by NDB's operations staff, such as the corporate results framework. In summary, the Board plays an essential role in promoting accountability and learning at the Bank, and is the ultimate custodian of the Bank's wider evaluation architecture.

57. Currently, the Board has two standing sub-committees, the Audit, Risk and Compliance Committee (ARC), and the Budget, Human Resources and Compensation Committee (BHRC). While the ARC does not have a direct role related to evaluation matters, the BHRC is responsible for reviewing the IEO work programme and budget before it is considered for approval by the Board. In September, IEO

presents a tentative list of evaluations for the upcoming year, along with a rolling two-year programme. Following the BHRC's feedback, IEO finalises the work programme and budget and submits the final version in the last quarter of the year. The BHRC is responsible for recommending the submission of the IEO work programme and budget for approval to the Board.

2.6 The independent evaluation work programme

58. IEO prepares an annual work programme and budget for approval by the Board of Directors. This document also includes an indicative forward-looking programme of evaluation activities for the subsequent two years. The work programme is produced based on thorough consultations with NDB Management and staff, the Board of Directors, and representatives of member countries. The final document is presented to the Board – through the BHRC – for approval in its last meeting of the year.

59. As part of the process, in the third quarter of the year, IEO prepares a preview of its work programme for the subsequent year and an indicative rolling programme for two further years. This document is shared with the BHRC for comments and feedback, which are taken into consideration in preparing the final IEO proposal. The preview document allows for early consultation, ensuring that feedback by key stakeholders is carefully considered by IEO in its work programme.

60. In deciding which evaluation themes, instruments, projects, country portfolio, and programmes to prioritise in its work programme, IEO is guided by a “selectivity framework”. The use of such an instrument allows for transparency and limits subjectivity in the final selection of evaluations to be included in the work programme. The IEO selectivity framework may be seen in annex 1, which includes selection criteria for different types of independent evaluation products.

03

EVALUATION METHODOLOGY

- 3.1 Introduction
- 3.2 Evaluation criteria, the rating system and evaluation methods
- 3.3 Tools and instruments for data collection and analysis
- 3.4 Customisation of evaluation methodology
- 3.5 Evaluation approach

3.1 Introduction

61. Evaluation methodologies are the methods and techniques used to assess the performance and results of NDB activities. NDB evaluation methodologies embody a comprehensive, structured approach to designing and implementing evaluations. It involves selecting suitable evaluation methods – qualitative, quantitative, or mixed methods – to accurately collect relevant data and information. Central to this methodology is the adept use of diverse tools for the thorough collection and analysis of data and information, tailored to meet the specific objectives of each evaluation.
62. An integral part of the methodologies applied by NDB is the imperative for customisation of the evaluation criteria, key questions, and processes to the Bank's specific context, such as the use of country systems and ensuring that the priorities of key stakeholders in the Global South are appropriately factored into the evaluation's design. More specifically, in designing evaluations, IEO will carefully take into account several factors, such as the country context, the member country's political, policy, and institutional environments, societal culture, and the broader political economy influencing these aspects. This includes understanding how political and economic interests, power dynamics, and social structures impact the evaluation process and outcomes. Such culturally responsive evaluation (CRE) plays a crucial role in shaping the relevance and effectiveness of evaluations. CRE emphasises the need to honour the cultural context of the participants, ensuring that evaluations are not only technically sound but also culturally appropriate, which enhances their validity and utilisation.
63. Furthermore, NDB advocates that evaluation methodologies must be resilient and adaptable enough to address the multifaceted challenges posed by global crises and shifting geopolitical dynamics. This encourages flexibility in the methodology to adapt to changing circumstances or new developments in the field of evaluation. Drawing insights from "Permacrisis"¹⁴ the methodologies should include provisions for rapid adaptability in times of sudden economic, social, or environmental shocks. Such flexibility ensures that evaluations remain relevant and provide actionable insights even under strained or unexpected conditions. Additionally, the manual emphasises the importance of incorporating principles from "Risk and Resilience in the Era of Climate Change"¹⁵ which advocates for a transformative shift in global policies and economic frameworks to effectively address the escalating risks associated with climate change. For evaluation purposes, this would imply systematically analysing how projects enhance systemic resilience in member countries against climate-related and other systemic risks.
64. The manual also advocates for the incorporation of evaluation techniques informed by insights and methodologies that have been refined over the past few decades in the field of participatory evaluation. These insights, which are outlined below, align with the observations from prominent research centres and institutions, such as the BRICS Policy Center in Brazil, emphasising the need for participatory and inclusive approaches in evaluation practices.

14 Brown, G., El-Erian, M., & Michael. (2022). Permacrisis.

15 Thomas, Vinod, *Risk and Resilience in the Era of Climate Change*, 2021.

See here: <https://www.globalpolicyjournal.com/blog/04/04/2024/book-review-risk-and-resilience-era-climate-change>.

Box 3: Fostering participation in NDB-financed projects – Participatory methodologies from theory to practice

The BRICS Policy Center, Brazil observes that the participation of local stakeholders in the design, implementation and evaluation of development projects can often fall victim to technocracy and become a strategy rather than a principle, when blueprints, models and techniques are prioritised over the promotion of social transformation and justice. It argues that to further social transformation and justice, participatory methodologies should:

- Value local knowledge as legitimate knowledge;
- Document diverse local perspectives; and
- Ensure minorities and the marginalised can be part of the process.

Participatory approaches are a win for all, and meant to be democratic, equitable, liberating and life-enhancing. Based on the participation paradigm, action for the egalitarian fulfilment of social needs and potentialities, and for the reproduction of human and non-human life may be defined as development, while those actions that harm these purposes may, at most, be consistent with economic growth. In turn, territorial development is supposed to be fair, inclusive and rights based.

In the context of evaluations, the BRICS Policy Center recommends that NDB:

- Ensures diverse participation in project design, implementation and evaluation;
- Accounts for the unequal distribution of project impacts in the territory based on class, gender, race, sexuality and disability;
- Considers local and international legal frameworks in environmental and social assessment;
- Improves transparency and communication in public and private sector projects; and
- Assesses the impact of tax exemptions and social responsibility policies when evaluating private sector projects.

Furthermore, it recommends that during evaluations, evaluators must be aware of and consider power imbalances and resource inequalities between them and the community.

Evaluators must be aware of their own bias and of potential external influence that they may bring into an evaluation, avoid adoption of homogenous methodologies, watch out for limited and artificial engagement, never underestimate local knowledge or practice cultural insensitivity, seek increased accountability and avoid loss of trust and legitimacy.

** The BRICS Policy Center is a think tank affiliated to the International Relations Institute (IRI), at the Pontifical Catholic University of Rio de Janeiro (PUC-Rio), Brazil.*

3.2 Evaluation criteria, the rating system and evaluation methods ▬

A. Evaluation criteria and key questions

- 65.** At the core of its evaluation system, IEO will make use of five of the evaluation criteria adopted by the Evaluation Cooperation Group of the MDBs. These criteria will be applied in all project and country portfolio evaluations. Depending on their suitability, some criteria may also be utilised in corporate-level and thematic evaluations, and other types of evaluations done by IEO. However, they will generally not be used in evaluation synthesis reports, which primarily focus on learning rather than accountability. The criteria are: (i) relevance; (ii) effectiveness; (iii) efficiency; (iv) impact; and (v) sustainability (see annex 2 for the full list and definitions). In 2019, the OECD's Development Assistance Committee published revised definitions of the evaluation criteria, detailed in annex 3.
- 66.** In addition, IEO will also systematically assess and rate "other core criteria", such as NDB and borrower performance, respectively; and other criteria on a case-by-case basis.
- 67.** IEO will not use its evaluation criteria in a mechanical manner, but ensure they are duly tailored as needed to specific contexts, such as different regions, countries or sectors, as well as to the NDB context. Such tailoring will be done during the preparation of the approach paper, the first step in the design of an IEO evaluation.
- 68.** Sections I-V below outline the core evaluation criteria, their descriptions and example guiding questions; whilst section VI outlines the "other core criteria".
- (i) Relevance**
- 69.** Relevance entails assessing the alignment of the objectives of a policy, strategy, project or programme being evaluated, with the broader objectives of NDB, relevant government policies and the needs of the intended beneficiaries. Under relevance, evaluations will also assess key design features to ensure they are appropriate for meeting the defined objectives.
- 70.** Some of the key questions that evaluations will address include:
- (a) Relevance of objectives
- How well were the project objectives aligned with government policies as well as with NDB's General Strategies and other relevant Bank policies and priorities?
 - To what extent were the project objectives appropriate in considering the needs of the intended beneficiaries?
 - How explicitly were the objectives linked to relevant SDGs, international agreements and national legislation upheld by the member country?
 - Are the project's objectives and approaches scalable and sustainable in the long term, considering possible future scenarios?
 - How adaptable is the project to the changing needs and priorities of stakeholders?

(b) Relevance of design

- How suitable was the project design in considering the complexities of the systems in which the intended beneficiaries lived and their corresponding needs?
- How effectively does the project design consider the evolving political, economic, social, and environmental contexts over time?
- How effective were the project components in meeting the project objectives?
- How appropriate was the financing breakdown?
- To what extent were the institutional choices and project management arrangements suitable for effective implementation and aligned with principles of diversity and equality?
- Were the indicators in the final project design report appropriate to track and evaluate project progress and results?
- How adequate were the provisions made for monitoring, project supervision, implementation support and evaluation?

(ii) Effectiveness

- 71.** Effectiveness includes the assessment of the extent to which the project or intervention achieved, or is expected to achieve, its objectives and results at the time of the evaluation, including any differential results across groups. The analysis of effectiveness involves taking account of the relative importance of the different objectives or results.
- 72.** Some of the guiding question to assess effectiveness are as follows:

(a) Effectiveness vis-à-vis objectives

- To what extent has the project achieved its intended objectives and outcomes at the time of the evaluation?
- How sustainable are the achieved outcomes, considering potential future changes in the context?
- Did the project achieve other objectives or result in any unexpected consequences, either positive or negative, for other systems?

(b) Effectiveness vis-à-vis cross-cutting considerations of NDB

- Were there differential outcomes across various social and economic groups? How inclusive was the coverage, and how transformative were the outcomes achieved?
- To what extent did the project strengthen climate and disaster resilience? Were there any unanticipated outcomes on climate change and disasters?
- To what extent did the project strengthen technology development? Were there any unanticipated outcomes on technology development?

(c) Effectiveness vis-à-vis local and national development goals

- What factors contributed to achieving or not achieving the stated objectives?
- How effectively has the project fostered local capacity and supported local initiatives?
- In what ways, if any, does the project facilitate/not facilitate member countries' development goals?

(iii) Efficiency

73. Efficiency focusses on how well resources are used to achieve anticipated results. In particular, the assessment of efficiency will examine the extent to which the intervention delivers, or is likely to deliver, results in an economic and timely manner.

74. Some of the key questions that evaluations will address are as follows:

(a) Financial efficiency

- What was the proportion of management costs as a proportion of the total costs, and as a proportion of NDB loans? Additionally, do these proportions meet the norms of member countries, and how well do they align with the bank's ability to support marginalised communities?
- Do the project's/sub-project's financial performance and internal rate of return compare favourably with initial projections at the time of appraisal?
- Were there any cost over-runs or under-runs?

(b) Operational efficiency

- How long did it take for the project to become effective from the time of Board approval?
- To what extent was the intervention implemented on schedule, and were there any delays to the original completion dates?
- How adaptable was the project in reallocating resources efficiently in response to changing conditions or unexpected challenges?
- What was the disbursement rate at completion and to what extent were the disbursements undertaken in a timely manner and in line with design estimates?

(c) Economic efficiency

- What was the economic internal rate of return at the time of evaluation and how does that compare with design estimates?

(iv) Impact

75. Impact is the extent to which the project, in the long run, has generated, or is expected to generate, significant positive or negative, intended or unintended, and higher-level effects.

76. Some of the key questions that evaluations will address are as follows:

(a) Impact of intervention on client groups

- What impact has the project had on incomes, assets and the general well-being of intended target groups?
- To what extent did the project impact the welfare and rights of women, indigenous peoples, and other marginalised groups?
- How significantly did the project contribute to job creation and business development?

(b) Impact on climate resilience

- What long-term impacts has the project had on climate and ecosystem health?
- Are there any negative environmental consequences, and how are they mitigated?
- To what extent has the project contributed to systemic changes that enhance climate resilience, such as policy reforms or capacity-building?

(c) Impact on private sector outcomes

- To what extent did the project contribute to local capacity-building of institutions and/or individuals in the private sector?

- What has been the impact of various private sector contributions, such as impact investing, social impact initiatives, and corporate social responsibility activities supported by NDB?
- How far is the private sector inclusive in its structure and functioning?

(v) Sustainability

77. Sustainability assesses whether the benefits will last or are expected to last after completion of the intervention.

78. Some of the key questions that evaluations will address are as follows:

(a) Operational sustainability

- Did the intervention have an explicit exit strategy in design and/or before completion? Did the exit strategy build on member country systems?
- How resilient are the results of the intervention to various risks?
- To what extent have provisions been made to finance operations and maintenance post-completion?

(b) Social and environmental sustainability

- How well does the project align with the long-term environmental and social sustainability goals of the member country?
- To what extent are disaster resilience and gender and social inclusion likely to continue beyond the project period?
- Has the project's response to climate change and disasters throughout its lifespan contributed to its sustainability?

(c) Institutional sustainability

- How adequate are the available institutional capacities in ensuring the continuation of the benefits stream in an equitable manner?
- To what extent did the intervention build ownership among local stakeholders to ensure the sustainability of benefits?

(vi) Other core criteria

79. Evaluations will also systematically assess and rate NDB and borrower performance, respectively – both of which are part of the ECG good practice standards for public sector operations. All project evaluations, country portfolio evaluations and impact evaluations will include an assessment of NDB and borrower performance. However, these criteria will generally not be applied to corporate-level evaluations, which primarily focus on NDB's internal processes, policies and instruments. They may, however, be applied to thematic evaluations and other evaluations, where relevant.

80. Furthermore, to adequately address NDB's emphasis in the General Strategy for 2022–2026 on cross-cutting issues, the manual introduces three additional "other" evaluation criteria: climate and disaster resilience, technology integration, and inclusive and equitable development. These may be applied on a case-by-case basis depending on the focus of the project in keeping with practice of most MDBs. See annex 4 for possible evaluation questions to explore performance on the cross-cutting considerations of the NDB General Strategy.

81. In consultation with the Board and the High-Level Evaluation Advisory Committee, IEO may also evaluate other criteria not listed in the Manual, should they be of relevance to the topic/themes under evaluation.

NDB and borrower performance

- 82.** The aim is to assess the contribution of the key partners to design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the policy/strategy/project life cycle.
- 83.** Some of the key questions that evaluations will address are as follows:

(i) NDB performance

- What was the role of NDB, and how did it support the overall quality of design? To what extent were member country protocols and NDB systems followed (with modifications if necessary)?
- Did NDB undertake monitoring, supervision and self-evaluation in a timely manner, including participatory ones?
- What was the quality of NDB supervision reports, and how far did they address issues of inclusion and equity?
- How effectively did NDB provide implementation support and/or technical assistance during execution to ensure better and equitable outcomes at completion?
- Did NDB support the project/intervention using a systems perspective?
- To what extent did NDB devote attention to capturing, documenting and sharing lessons and good practices?
- Was the project completion report prepared in a timely manner, and what was its overall quality?

- Did NDB promote partnerships with relevant institutions?

(ii) Borrower performance

- To what extent did the borrower establish the required teams and capacities in a timely manner to facilitate implementation?
- To what extent did the borrower meet NDB obligations in the loan/financing agreement and any amendments thereof?
- How effectively did the borrower implement disaggregated monitoring systems, produce periodic progress reports and a final completion report according to timelines, and what was their overall quality?
- Were there any factors that compromised the delivery of activities according to established timelines, and did the borrower make the necessary adjustments during implementation?
- Did the borrower adequately involve and consult the intended beneficiaries/ stakeholders during the design and implementation phases, including women and marginalised groups?
- To what extent was project management responsive to changes in the environment or to recommendations made by NDB supervision missions or the project steering committee?
- Was procurement undertaken in line with country systems?

Private sector operations

- 84.** While evaluations of private sector operations will also cover several of the above criteria, as appropriate, specific criteria will be applicable to such operations as listed in the box below.

Box 4: Definition of evaluation criteria for private sector operations

Financial criteria. It reflects the project/company's financial performance and achievement of project business objectives. This criterion includes the assessment of the fulfilment of project business objectives. The rating considers the achievement of process and business objectives articulated at approval.

Economic criteria. It reflects the project/company's contribution to economic growth. This includes assessing the operation's net benefits, both benefits and costs associated with the project, including economic distortions. The company or financed project must make a profit with a rate of return above the weighted average cost of capital.

NDB mandate criteria. This indicator measures the project's contribution to NDB's mandate objectives, be they to stimulate development of the private sector, development of efficient financial/capital markets, or transition to a market economy. The scope of measurement should be adjusted to match the scope of NDB's mandate.

Environment and social criteria. It reflects the project/company's environmental and social performance. The rating of environmental and social performance considers the project company's/enterprise's overall environmental and social performance in influence of the project. It also captures negative externalities; the framework gives priority to capturing adverse environmental and social effects of investments.

Investment profitability. The indicator measures the profitability of each of NDB's investment(s) in the project company.

Additionality. The rating of NDB's additionality considers the organisation's value proposition in providing support to the project. It is based on the counterfactual assessment of how the project would have (or would not have) proceeded without NDB support. It should consider all factors relevant to the role and contribution of NDB.

B. Rating system and scale

85. Based on the evidence collected and the analysis conducted, the evaluator will assign a performance rating to each evaluation criterion, using a six-point scale. The rating assigned by IEO is based on its evaluative judgement, using triangulation techniques, after analysing all data and information collected. Each rating will be accompanied by relevant "explanatory factors", which would allow readers to clearly understand the underlying rationale for the rating. Table 1 shows the score and rating; and a "score description" is provided for guidance in the assignment of ratings to individual evaluation criterion, which will also serve to enhance transparency of the validation exercise.

C. Evaluation methods

86. Evaluation methods fall broadly into three categories: (i) quantitative; (ii) qualitative; and (iii) mixed methods.
- (i) **Quantitative evaluation methods** involve structured techniques to collect numerical data, which are then analysed statistically to assess the outcomes or impacts of programmes/projects, policies or interventions. These methods are grounded in the objective measurement of variables and often utilise tools such as surveys, standardised tests, and administrative data to quantify changes attributable/contributable to a programme/project.
 - (ii) **Qualitative evaluation methods**, on the other hand, focus on collecting non-numerical data to provide deeper insights into the processes behind observed results and the context within which the programme/project operates. Techniques such as interviews, focus groups, observations and case studies are commonly employed to explore individuals' experiences, perceptions, and the meaning they attribute to events or interventions. Mixed methods combine these methods to leverage the strengths of both, offering a comprehensive understanding of programme outcomes.

Table 1. IEO rating scale

Score	Rating	Description
6	Highly successful	The activity (project, programme, non-lending, etc.) achieved or surpassed all (indicatively, over 95%) of the main targets, objectives, expectations and results and could be considered as a model within its project typology.
5	Successful	The activity achieved almost all (indicatively, between 80–95%) of the main targets, objectives, expectations and results.
4	Moderately successful	The activity achieved the majority (indicatively, between 60–80%) of the main targets, objectives, expectations and results. However, a significant part of these was not achieved.
3	Moderately unsuccessful	The activity did not achieve most (indicatively, less than 60%) of the main targets, objectives, expectations and results.
2	Unsuccessful	The activity achieved only a minority (indicatively, less than 50%) of the main targets, objectives, expectations and results.
1	Highly unsuccessful	The activity achieved almost none (indicatively, less than 20%) of the main targets, objectives, expectations and results.

(iii) **Using a mix of methods** – combining the breadth of quantitative methods with the depth of qualitative – and “triangulating” information from different methods – can be useful to assess different facets of complex outcomes or impacts. This will yield greater validity than using one method alone and will usually be the preferred approach in NDB. It is also in line with United Nations Evaluation Group (UNEG) good practice: “A methodology that uses ‘mixed method’ utilizing quantitative, qualitative, and blended (e.g. quantifying qualitative data) approaches is now widely accepted as advisable to address the types of interventions that are now predominant in international development.”¹⁶ As such, IEO will generally favour the use of mixed methods, as they allow for capturing and analysing both qualitative and quantitative data and information, which are more suitable in light of the nature of NDB financing and development activities and approaches.

Use of triangulation

87. Triangulation refers to using multiple data sources or sources of information, to corroborate or complement each other to confirm the evaluation findings.¹⁷
88. Triangulation plays a crucial role in the evaluation of the type of activities funded by NDB. Triangulation merges insights from quantitative analysis, such as statistical analyses of economic benefits and efficiency improvements, with qualitative insights, for instance, stakeholder interviews and community feedback. This comprehensive approach ensures a deeper understanding of outcomes and impacts, including economic, social, institutional and environmental dimensions.

¹⁶ See <https://www.unevaluation.org/document/detail/2939>.

¹⁷ See the *National Endowment for Financial Education Financial Education Evaluation Manual*, 2016, Appendix A: Glossary of Evaluation Terms | Evaluation Toolkit (nefe.org). <https://toolkit.nefe.org/evaluation-resources/evaluation-manual/section-5-appendices/appendix-a-glossary-of-evaluation-terms>.

FIGURE 3: TRIANGULATION IN EVALUATION



89. For instance, consider the evaluation of a solar energy project financed by NDB. Quantitative methods might measure the project’s success in terms of megawatts produced, reduction in carbon emissions, and cost savings over traditional energy sources. Meanwhile, qualitative evaluations could involve interviews with local women and men to assess the project’s social impact, such as whether it helped reduce women’s work burden, created jobs and/or improved local infrastructure. By triangulating these diverse data sources – quantitative measurements of project performance and qualitative insights from affected and indirect stakeholders – the evaluation can offer a

more nuanced view of the project’s overall success and areas for improvement.

90. Triangulation enhances the validity of the evaluation findings by reducing the influence of individual biases or methodological limitations. It also enriches the understanding of complex projects by incorporating diverse perspectives, including those of intended project beneficiaries, local communities and key stakeholders. Moreover, by identifying discrepancies or contradictions among different data sources, triangulation can uncover unforeseen challenges or unintended consequences of the projects, guiding future improvements and policy decisions.

3.3 Tools and instruments for data collection and analysis

91. This section explores the various tools and instruments commonly used in evaluation, their applications, and considerations for their selection and use. Some of the common assessment tools are presented in table 2. Many of these tools can be used by NDB in

evaluation to capture changes – before/after, or participant/non-participant (of similar profile). The changes, both positive and negative, may be due to the project alone, or in conjunction with other factors.

Table 2. Common tools for data collection and analysis

Data collection tool	Formats	Key considerations
Surveys and questionnaires	Administered in various formats, including paper-based, online, or via telephone.	The design must be carefully considered to ensure clarity, relevance and neutrality of questions to avoid bias and to improve the reliability and validity of the data collected. It must be administered to all relevant individuals, without discrimination based on gender or any other identities.

Table 2. Common tools for data collection and analysis

Data collection tool	Formats	Key considerations
Interviews	Whether structured, semi-structured, or unstructured, these can be conducted face-to-face, over the phone, or through video conferencing platforms.	It must be administered to all relevant individuals, without discrimination based on gender or any other identities. Software updates for coding and analysis is important.
Focus groups	A qualitative tool where a small group of people are guided by a facilitator through a discussion on a particular topic or set of issues.	May need to be held separately with women and men, indigenous groups, minority groups and other axioms of diversity. Software for disaggregated analysis of qualitative data is required for analysis.
Observations	Observation involves the systematic recording of observable sites, practices or living conditions.	Observational data is particularly valuable for understanding processes, interactions and behaviours as they naturally occur. It is also useful for understanding the quality and maintenance of infrastructure.
Document analysis	The review and analysis of existing documents and records, such as formal policy documents, Monitoring and Evaluation reports, administrative records, meeting minutes, and other relevant documents.	Document analysis can be a cost-effective way to gather data, though evaluators must consider the potential for bias and the limitations of the available documents.
Case studies	Case studies are an in-depth analysis of a single case or a small number of cases covering good practices and challenging ones.	Particularly useful for understanding the complexity of evaluation subjects and for generating hypotheses for further testing.
Secondary data analysis	Secondary data analysis involves the use of existing data sets, such as census data, administrative records, or previous research findings, to answer new research questions.	Care must be taken to ensure that the data is inclusive and covers issues of gender and social equity as relevant to the project. This method can be cost-effective and time-efficient, providing access to large, diverse data sets. It can also point to information gaps that must be bridged through evaluations.
Memory recall techniques	Memory recall techniques involve prompting participants to remember and report past events, experiences, or behaviours.	Particularly useful in interviews or surveys where historical information or longitudinal changes are relevant. However, this method may not be free of bias, especially in projects of long duration, as it relies on memory.
Social equity assessment tools	This tool is designed to analyse equity in outcomes and impacts on different groups within the project area, as well as equity within the implementing organisation.	Useful for transformative evaluations and assessing whether organisations can sustain efforts towards equity. However, the method does not address issues of intersectionality.

92. New and innovative methods of data collection are transforming the landscape of evaluation, offering new avenues to gather, analyse and interpret data. These advancements align well with the needs of NDB, and similar institutions focused on sustainable development, infrastructure, and environmental projects. By leveraging cutting-edge technologies,

evaluators can enhance the efficiency, accuracy and scope of their assessments. In table 3, we explore various innovative methods, discussing their applications in evaluation, the potential challenges they present, and the strategic solutions to effectively mitigate these challenges.

Table 3. Innovative technologies of data collection

Applications	Challenges	Solutions
Mobile devices		
Mobile devices, including smartphones and tablets, are increasingly used for real-time data collection. They enable survey distribution, direct data entry during field visits, and instant access to information. For NDB, mobile devices can facilitate efficient monitoring of project sites, gathering of stakeholder feedback through mobile surveys, and tracking project progress.	Issues include data security, the need for continuous internet access in remote areas, and the potential for technological glitches. Further, many women, indigenous groups and poor people do not have as easy access to mobile devices/smartphones as men, non-indigenous groups, and better off populations.	Implement encryption, deploy mobile Wi-Fi hotspots, provide technical support, and subsidise devices for underrepresented groups.
Software programmes		
Custom software programmes can automate data collection and analysis processes. They're used for managing large datasets, visualising data, and performing complex analyses. Typically, they support monitoring. For projects supported by NDB, software can streamline project management tasks, automate financial reporting, and enhance stakeholder engagement through interactive platforms.	High development costs, the need for specialised training, and the risk of software obsolescence are significant concerns.	Leverage open-source software to reduce costs and design targeted training modules for essential skills.
Drones		
Drones offer a novel perspective for evaluating large-scale infrastructure and environmental projects. They can capture aerial imagery, conduct site inspections, and monitor changes over time. This is particularly useful for NDB in assessing the impact of projects on landscapes, monitoring construction progress, and evaluating environmental restoration efforts.	Regulatory restrictions, privacy concerns, and the need for skilled operators limit drone usage.	Work closely with regulatory bodies to streamline compliance, develop privacy protocols specific to drone data, and establish certified training for operators.

Table 3. Innovative technologies of data collection

Applications	Challenges	Solutions
Remote sensing and satellite imagery		
<p>Remote sensing and satellite imagery provide valuable data on geographical and environmental changes. This technology supports evaluations related to urban development, agricultural productivity, and disaster impact assessments. NDB can use these tools to monitor changes in land use, assess the effectiveness of environmental conservation projects, and plan infrastructure development with minimal environmental impact.</p>	<p>High costs, the requirement for specialised analytical skills, and sometimes limited resolution or frequency of data collection are challenges. The data must be analysed with women and men from the community to understand the social aspects of land use change.</p>	<p>Seek collaborative agreements with satellite providers to reduce costs, use ground-truthing to enhance data resolution, and complement satellite data with localised surveys for greater accuracy.</p>
Geographic information systems (GIS) technology		
<p>GIS technology enables the mapping and analysis of spatial data. It's useful for visualising project impacts, planning infrastructure projects, and conducting environmental assessments. For NDB, GIS can help in identifying optimal locations for new projects, assessing risks related to climate change, and monitoring the spatial distribution of benefits.</p>	<p>GIS requires access to reliable data sources and skilled personnel to manage and interpret the data.</p>	<p>Collaborate with data providers and outsource to GIS specialists as needed.</p>
Machine learning and natural language processing (NLP)		
<p>Machine learning and NLP can automate the analysis of large volumes of text data, such as social media posts, project reports, and stakeholder feedback. These tools can identify trends, sentiments and patterns that inform project design and evaluation. NDB can leverage these technologies to gauge public opinion on projects, analyse the outcome/impact of interventions, and refine project designs based on feedback.</p>	<p>Biases in language data, the complexity of language nuances, and the need for ongoing model refinement are significant issues.</p>	<p>Diversify data sources, combine NLP with human oversight, enhance algorithms to detect and mitigate biases and integrate continuous learning loops to adapt models to new data.</p>
Big data analytics		
<p>Big data analytics involves examining large datasets to uncover hidden patterns, correlations and insights. It is particularly useful for evaluating complex systems, intersectional data and predicting trends. For NDB, big data analytics can enhance decision-making by providing insights into economic trends, gender/social issues, infrastructure needs, and environmental risks.</p>	<p>Data privacy concerns, the need for advanced analytical capabilities, and ensuring data quality are key challenges.</p>	<p>Implement strict data governance frameworks to secure privacy and focus on developing in-house analytical expertise to improve data utilisation.</p>

93. Aligning with NDB's work: The innovative data collection technologies outlined above align with NDB's focus on infrastructure and sustainable development. By leveraging these tools and technologies, NDB can enhance the precision, efficiency and scope of its evaluations, leading to more informed decision-making and better

project outcomes. However, addressing the challenges associated with these technologies – such as ensuring data privacy, managing technological complexities and building analytical capacities – is crucial for their successful implementation.

3.4 Customisation of evaluation methodology

94. As discussed previously, NDB has a specific genesis and mandate and a distinct operating model focusing on country ownership, use of country systems, consultation, engagement and dialogue, and a membership-driven imperative. Additionally, NDB places a significant emphasis on cross-cutting issues such as climate change and disaster resilience, inclusive and equitable development, and technology integration.

95. The use of internationally recognised evaluation criteria as a basis for IEO's evaluations, as laid out in section 3.2, supports consistent, high-quality evaluation across NDB and will also facilitate benchmarking between NDB and other multilateral organisations. However, to ensure the evaluation methodology is attuned to NDB's unique profile, several key customisations are essential, and will be decided in dialogue with member countries.¹⁸

96. NDB-specific elements – such as country ownership, utilisation of country systems, stakeholder engagement, a membership-driven approach, and support for local initiatives – will be incorporated directly into the questions related to criteria for evaluation. For example, under “relevance” a question could be raised as to whether the project was in sync with member country systems like its environment and social safeguards policy. This approach is aimed at preserving a unified and straightforward evaluation framework that is both comprehensive and flexible, accurately reflecting the unique operational context of NDB. For example, questions related to country ownership and use of country systems can be seen as part of the “relevance” and “sustainability” criteria, ensuring that projects are appropriate to the country context and can

be sustained by local systems after completion. Similarly, consultation, engagement and dialogue enhance the “effectiveness” and “impact” of projects by ensuring they are aligned with stakeholder needs and expectations.

97. Furthermore, reflecting a membership-driven imperative can be integrated into the “relevance” criterion, ensuring that evaluations assess how well projects align with the development priorities and goals of member countries, thus reflecting their vested interests and aspirations. Supporting local initiatives is pivotal for the “sustainability” and “impact” criteria, as it examines the extent to which projects foster local capacity, innovation and self-reliance, contributing to lasting benefits and empowerment at the community level. By embedding these aspects within the existing NDB evaluation framework, evaluations can holistically capture the essence of NDB's mandate to serve its members' needs while promoting sustainable and locally driven development outcomes.

98. Furthermore, to adequately address NDB's emphasis on cross-cutting issues,¹⁹ introducing additional “other” evaluation criteria is recommended, supported by the evolving consensus in international development literature and practices. Climate change and disaster resilience merit a stand-alone criterion, recognising the imperative to ensure projects' long-term sustainability and effectiveness amid escalating environmental challenges. This approach is consistent with global trends towards integrating climate resilience into development planning to safeguard and enhance project outcomes.

¹⁸ The customisation applies to project performance evaluations, project completion report validations, and country portfolio evaluations. Methodologies specific to other evaluations – thematic/sector evaluations, evaluation synthesis reports and corporate-level evaluations will be discussed in chapter 5.

¹⁹ Climate and disaster resilience, technology integration, and inclusion and equitable development. The cross-cutting issues are discussed in detail in annex 4.

99. Inclusive and equitable development, advocated by entities like the United Nations Evaluation Group, requires its criterion to ensure projects deliberately foster equity and equitable access to benefits for all segments of society, particularly those most vulnerable and marginalised. This focus on inclusivity is crucial for achieving SDGs and ensuring that development efforts leave no one behind.²⁰
100. Technology integration also merits its own criterion, recognising the critical role digital innovations play in enhancing project delivery and outcomes. This perspective aligns with the evolving global consensus on leveraging technology to drive project success, ensuring that digital tools and platforms are embedded in development strategies to optimise outcomes and foster sustainable growth.
101. Apart from customising the evaluation methodology to NDB's specific context and NDB's emphasis on cross-cutting issues, the manual also advocates the customisation of evaluation methodology with respect to the country, region or sector context. The questions related to these specific contexts can either be integrated into the core evaluation criteria or can be included under additional "other" evaluation criteria.
102. Customisation to the country context is essential because countries differ significantly in their political, economic and social structures. These differences can influence the outcomes of projects and interventions. For instance, political stability, governance quality and regulatory environments vary across countries and can impact the implementation and success of initiatives. Importantly, countries have different development priorities which can significantly influence the outcomes and sustainability of interventions. Evaluations that consider these country-specific factors are more likely to provide insights that are relevant and actionable.
103. Regional customisation is important because even within a single country, regions can vary widely in terms of economic development, infrastructure and local customs. These variations can affect how projects are received and their effectiveness. For example, a region with a robust infrastructure will likely respond differently to an economic development project than a region with less developed infrastructure.
104. Furthermore, understanding the sector context is crucial for NDB when evaluating projects across different sectors. For example, in an infrastructure project like road construction, the evaluation focuses on aspects such as structural integrity, economic and social impacts, and environmental considerations. In contrast, a sustainable energy project like a wind farm requires evaluation of energy efficiency, environmental benefits and social impacts. This customisation ensures that the evaluations are relevant and actionable, addressing sector-specific success metrics, challenges and stakeholder interests.

3.5 Evaluation approach

105. The evaluation approach integrates a series of interconnected steps designed to ensure that evaluations are thorough, accurate and conducive to improving programme outcomes. This approach begins with a critical assessment of the theory of change.
106. **Theory of Change.** Evaluators reconstruct the ToC when necessary, identifying implemented activities, those omitted and why, as well as the underlying assumptions and any changes or additional actions introduced after the design phase. This step also highlights, based on available evidence, any unrealistic expectations and flawed logic, ensuring the evaluation is based on a coherent intervention logic.
107. Following the establishment of a solid ToC, the approach includes the development of an evaluation matrix. This matrix outlines

²⁰ A separate sub-criterion will be dedicated to gender and social inclusion.

the specific evaluation criteria, such as relevance, effectiveness, efficiency, impact and sustainability, other cross-cutting criteria, and formulates evaluation questions for each criterion. These questions are linked to indicators, data sources and methods of data collection, ensuring a comprehensive evaluation matrix. For example, questions regarding the relevance of a project might explore its alignment with the needs of marginalised populations and government policies, using data from community inputs and policy documents.

- 108.** The approach also encompasses a variety of evaluation methods and tools previously discussed, allowing for both quantitative and qualitative analysis. These methods and tools are essential for collecting and analysing data relevant to each evaluation question in terms of analysis, the approach includes employing tools such as cost-benefit analysis, cost-effectiveness analysis, social cost-benefit analysis, and environmental impact assessments.
- 109. Cost-benefit analysis.** This estimates the total expected benefits of a programme, compared with its total expected costs. It seeks to quantify all the costs and benefits of a programme in monetary terms and assesses whether benefits outweigh costs.
- 110. Cost-effectiveness analysis.** This compares the relative cost of two or more programmes or programme alternatives in terms of reaching a common outcome, such as agricultural yields or student test scores.
- 111. Social cost-benefit analysis.** This is an economic methodology that evaluates the potential impacts of a proposed project, policy or programme on society. Unlike traditional economic assessments that primarily focus on monetary considerations, this encompasses a broader spectrum of effects by incorporating social (including gender equality), environmental, and economic dimensions.
- 112. An environmental impact assessment (EIA)** is commonly described as an assessment of the impact of planned/implemented activities on the environment, including impacts on biodiversity, vegetation and ecology, water and air. In the context of evaluations, an EIA is designed to identify the impact of a project (e.g. infrastructure development such as a dam) to environmental and human well-being and identify measures to eliminate and/or mitigate these risks.
- 113.** These analyses offer a multidimensional view of a programme's efficiency, effectiveness, and impact on social and environmental factors. They allow evaluators to quantify benefits and costs, compare programme alternatives for achieving outcomes, and assess the broader societal impacts of interventions.
- 114.** Ultimately, this evaluation approach ensures that every aspect of the programme is scrutinised, from its foundational logic to its outcomes and impacts. By systematically linking analysis back to the revised ToC, the approach provides a robust framework for understanding the dynamics at play in programme implementation and effectiveness. This comprehensive evaluation strategy not only assesses the success of current programmes but also offers insights and recommendations for future improvements, aligning closely with strategic objectives and ensuring that interventions are both effective and responsive to the needs they aim to address.
- 115.** This chapter has outlined an overarching evaluation methodology. The specific evaluation methodologies that will be adopted in other types of evaluation are laid out in chapter 5.

04

KEY FEATURES OF NDB'S INDEPENDENT EVALUATION PROCESS

4.1 Introduction

4.2 The six steps of the IEO evaluation process

4.1 Introduction

116. Broadly speaking, IEO evaluations will follow six main steps, which are: (i) preparation of the approach paper; (ii) desk review; (iii) field work; (iv) preparation of the draft evaluation report; (v) review of the draft evaluation report and the NDB Management Response; and (vi) knowledge-sharing, communication and outreach. However, the process may

be customised and further elaborated on, depending on the nature of evaluation being undertaken. This would be done as part of the preparation of the approach paper, the first step in any IEO evaluation. As the approach paper is published on the IEO webpages, it ensures that the process is publicly available, thereby promoting transparency.

FIGURE 4: KEY STEPS OF NDB'S INDEPENDENT EVALUATION PROCESS



4.2 The six steps of the IEO evaluation process

Step 1: approach paper

- 117.** The approach paper captures the evaluation's design and outlines the main evaluation objectives, criteria to be used, methodology and key questions, process steps and timelines. As part of evolving the approach paper, NDB along with member countries will conduct a stakeholder analysis. This analysis helps identify stakeholders to be engaged during evaluation, including for dissemination and outreach activities at the end of the evaluation.
- 118.** In addition to stakeholder analysis, approach papers will include an evaluation framework, mapping the evaluation criteria adopted with key questions, and data collection and information sources/instruments. It will include a comprehensive bibliography to be analysed by IEO during the process, and information on the evaluation team. Although evaluations are managed by IEO and the content is entirely the responsibility of IEO, depending on the type of evaluation being conducted, IEO will mobilise technical sector experts to ensure that evaluations are informed by the latest technical know-how and sector-specific expertise.
- 119.** The draft approach paper is prepared within 3–5 weeks, which is thereafter shared with NDB Management and other stakeholders as appropriate. Drafts for all corporate-level evaluations (see next chapter with a description of IEO evaluation types), and selectively for evaluation synthesis reports and sector/thematic evaluations, will be shared with Board members for comments. The concerned Board member will also be given the opportunity to comment on project evaluations and country portfolio evaluations in their country. Stakeholders will be given three weeks to respond, and any comments received are carefully considered by IEO in finalising the document. All final approach papers are made available through the IEO webpages on the NDB website.

Step 2: Desk review

- 120.** While some documents would have been reviewed as part of step 1, in step 2 a thorough desk review is undertaken of all documentation collected and available secondary data (e.g. disbursement data). This includes analysing both internal documents, such as design and supervision reports by NDB and progress reports by the counterparts, as well as data and documents from external sources like government policies and statistics and evaluations on similar topics by peer organisations. Based on the evaluation type and its specific timeline and complexities, this process of reviewing documentations takes approximately 4–7 weeks.
- 121.** The desk review is particularly important to help develop the programme and priorities for step 3, field work, for instance, by identifying data and information gaps that would need to be filled to ensure a robust analysis. The desk review is also important to help develop questionnaires for different audiences to be used for further data collection during the field work phase. During the desk review, IEO may also conduct bilateral interviews with relevant stakeholders to discuss emerging issues and gain guidance for the way forward.

Step 3: Field work

- 122.** Field work is an essential part of several types of IEO evaluations, in particular project evaluations and country portfolio evaluations. Field work may also be undertaken, selectively, during the preparation of corporate-level evaluations, thematic/sector evaluations, and evaluation synthesis reports, though this will depend on the nature of topic being treated.
- 123.** The main purpose of evaluation field work is to collect additional primary and secondary data and information to ensure a robust evaluation. Field work will therefore entail the following

types of activities, inter-alia, project site visits, key informant discussions with multiple stakeholders including intended beneficiaries, semi-structured interviews with groups of individuals and institutions, and collection of additional data and documentation from project authorities and other in-country partners. The methods adopted for each evaluation will be tailor-made to the context and will not be homogenous. On a case-by-case basis, as part of the evaluation, IEO may also commission local institutions to undertake more thorough and structured surveys to collect and analyse primary data. Private sector institutions with expertise in evaluations may be engaged for surveys and qualitative methods.

- 124.** The field work usually lasts for 2–4 weeks and at the end of the field work, before leaving the country, IEO will present its initial findings from the visit to key stakeholders, including leaders from client organisations in the case of project evaluations. The contents of such presentations will be treated as preliminary and subject to further validation, and not include any recommendations.
- 125.** In the case of project evaluations, IEO will adhere to the International Labour Organization’s Convention 169 on Participation. This calls to ensure that instruments are appropriate for different constructions of outcomes, to actively search for disadvantaged groups to engage, and to adapt language, space and approach, so that marginalised groups feel comfortable to engage in the evaluation process. Through its field work, IEO will explore the intersection between different categories that have traditionally been seen as isolated, such as gender, race, class, disability, and territory.

Step 4: Preparation of evaluation report

- 126.** In step 4, IEO will prepare the draft final evaluation report. The evaluation report is a document that presents the findings, conclusions and recommendations of an evaluation. It is prepared objectively by triangulating evidence to generate findings and has a transparent “evidence trail”. Reports have a succinct executive summary and numerous annexes, including the list of persons met/interviewed, a bibliography and other essential data/information to support the contents of the main report. The report should capture differences, if any, in outcomes for

different groups like income, gender, indigenous communities or people with disabilities. The draft evaluation report is prepared within a timeframe of 5–7 weeks.

Step 5: Review of draft evaluation report and the NDB Management Response

- 127.** A thorough internal peer review of the draft evaluation report is done within IEO to ensure methodological rigour and consistency across evaluations. In addition, for strategic evaluations, IEO will mobilise independent external peer reviewers (individuals or institutions) to review selected evaluation deliverables including the draft final report. Attention will be devoted to mobilising individuals and institutions from relevant member countries as external peer reviewers, so that corresponding IEO products may benefit from deeper appreciation of the local context.
- 128.** Further, the Inter-Departmental Working Group on Evaluation and the High-Level Evaluation Advisory Committee will be asked to review selected strategic evaluations and other IEO products. With respect to all peer reviews, attention will be given to ensuring that evaluations have a coherent evidence trail, that findings are based on triangulation of different data/information sources, and that evaluations have properly factored in context issues into their analysis.
- 129.** All draft evaluation reports are shared with the NDB Management for comments. Board members will also be given an opportunity to comments on evaluation reports, consistent with the approach taken in step 1 above. Stakeholders will be given three weeks to respond, and any comments received are carefully considered by IEO in finalising the evaluation report.
- 130.** Once the final report is prepared, IEO shares it with NDB Management, for the preparation of their written Management Response. This provides NDB Management with an opportunity to share their final thoughts on the evaluation and articulate their proposal for the implementation of its recommendations. The NDB Management Response will be shared with IEO and the Board of Directors along with the evaluation report, and it will be included in the main evaluation report to be published and disseminated.

Step 6: Knowledge-sharing, communication and outreach

- 131.** IEO will devote considerable attention to knowledge-sharing and learning throughout the evaluation process such as by ensuring stakeholders' engagement at key stages of the evaluation and providing them with the opportunity to comment on different deliverables produced by IEO during the evaluation process. Selected IEO evaluation reports will be presented for consideration to the Board of Directors, and subsequently published, without prior clearance from anyone outside IEO. However, in highly exceptional cases, for example with regard to the disclosure of a public sector evaluation report, IEO would advise the Board in consultation with NDB Management and the relevant country authorities not to disclose the report, in case it posed a risk to the Bank. A differentiated approach will be taken for the disclosure of evaluation products of private sector operations. As done by other MDBs, IEO would remove any confidential information from private sector outputs and seek a no objection for disclosure from the borrower in coordination with member country authorities.
- 132.** In this regard, each approach paper produced at the outset of the evaluation will have a dedicated, short section outlining the knowledge-sharing, communication and outreach strategy and activities that will be undertaken during the evaluation process.
- 133.** For "final" evaluations, IEO will take several actions regarding knowledge-sharing, communication, and outreach. These will include publishing IEO evaluation reports and related products, in line with the disclosure provisions in the Evaluation Policy and Evaluation Strategy, on the IEO webpages on the NDB website, and proactively disseminating the reports (e.g. through e-mail circulation and social media) to in-country partners, relevant international organisations, the Evaluation Cooperation Group of the MDBs, country level, regional and global evaluation associations, networks and communities, and others concerned. Through IEO's participation in country, regional and global level conferences and workshops, IEO will ensure wider outreach of its findings and lessons. Use will also be made where possible of local and international media for outreach and dissemination.
- 134.** At the end of each country portfolio evaluation, IEO will organise in-country knowledge-sharing seminars to disseminate lessons and good practices from the entire portfolio. IEO may also selectively organise such seminars for other types of evaluations, either in-country or at NDB headquarters, should there be sufficient demand and depending on the nature of evaluation undertaken. IEO enters into partnerships in evaluations with monitoring and evaluation institutions in NDB-member countries, which also prove useful for organising in-country knowledge seminars. Such seminars provide opportunities for dialogue, reflection and exchange of ideas on IEO evaluations and to discuss opportunities and challenges for the way forward. As such, these seminars will be focused on learning and sharing of good practices.
- 135.** For each evaluation, IEO will produce an "Evaluation Lens" and Infographic. An Evaluation Lens is a two-page reader-friendly brochure, summarising the main evaluation findings and recommendations, intended for a wide readership, especially policy and decision makers. The Infographic is also a two-page brochure, summarising project and evaluation data on outcomes in a visual format.
- 136.** To facilitate the uptake of lessons and recommendations, while all evaluation reports and related products will be prepared in English, all Evaluation Lens' will be made available in other languages, relevant to member countries.²¹ Similarly, the executive summaries of evaluation reports of operations in Brazil and China will be translated into Portuguese and Chinese, respectively, and included in the final evaluation report, alongside the English version of the summary. The entire process of knowledge-sharing, communication and outreach will take at least 4–6 weeks.

²¹ Based on demand and available resources, IEO may, on a case-by-case basis, selectively translate the entire evaluation report into languages relevant to member countries.

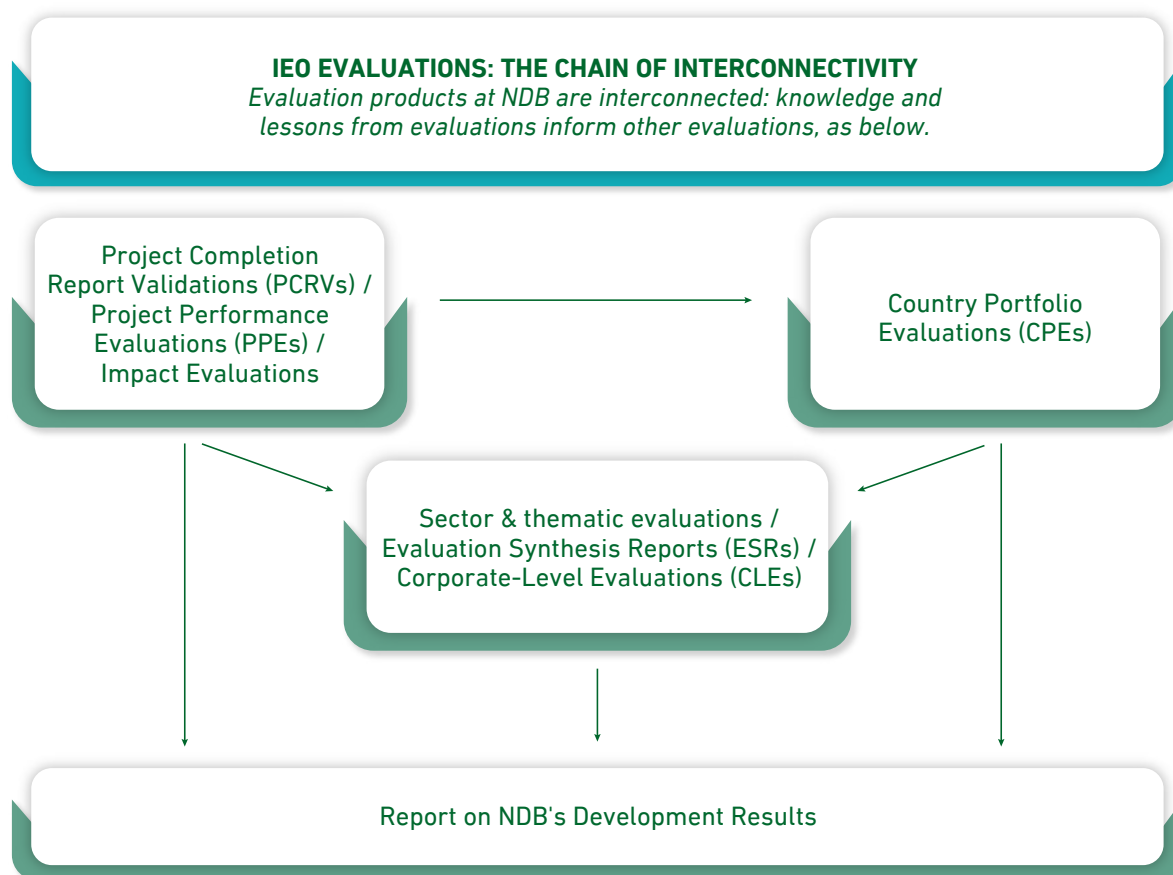
05

INDEPENDENT EVALUATION PRODUCT MIX

137. IEO conducts several types of evaluations. These include project evaluations, country portfolio evaluations, thematic/sector evaluations, evaluation synthesis reports, and corporate-level evaluations. IEO may

introduce additional products in the future (such as project impact evaluations), but it is still too early for the moment to expand the range of its product mix.

FIGURE 5: HOW DO IEO EVALUATIONS FEED INTO EACH OTHER?



138. Project evaluations. There are two types of project evaluations done by IEO, namely project completion report validations, and project performance evaluations. Furthermore, IEO plans to conduct, on a very selective basis, at least one project impact evaluation per year, but this will be considered in the future.

dimensions of each evaluation criterion that could have been considered; and the differences (if any) between the rating of the PCRV and PCR across each evaluation criterion are laid out. PCRVs will also include an assessment and rating for the overall quality of the PCR across several dimensions.

139. Project completion report validations (PCRVs). Project completion reports are self-evaluations produced by NDB at the completion of every project – and an IEO “validation” means that IEO will conduct an assessment of the overall quality of the PCR. PCRVs validate the findings, ratings and quality of the PCRs through desk review, and where necessary by speaking to select stakeholders. PCRVs may point to additional

140. The objectives, methodology and process for PCRVs is captured in a dedicated document²² approved by the Board of Directors. The methodology for the preparation of PCRVs may however be somewhat fine-tuned based on some of the provisions in this manual, as and when needed.

²² See PCR-Validation-Methodology-and-Process.pdf (ndb.int).
<https://www.ndb.int/wp-content/uploads/2023/04/PCR-Validation-Methodology-and-Process.pdf>.

- 141.** IEO will validate 100% of the PCRs produced by NDB in any given year, with two exceptions: if a project performance evaluation (PPE) has been carried out just before project completion, or if IEO plans to conduct a PPE within a 12-to-18-month period of project completion.
- 142. Project performance evaluations.** The main objectives of PPEs are to assess the results of NDB-financed projects and generate recommendations and lessons for the implementation of ongoing projects and the design of future operations. Unless there are compelling circumstances, the evaluation criteria and rating system discussed in chapter 3 above will provide the starting point for a project evaluation design. The choice of methods for data collection and analysis will be made and developed as part of the evaluation approach paper. All PPEs will include field work by an IEO team, composed of evaluation and technical experts, as needed. PPEs are expected to be completed within a six-month period.
- 143. Project impact evaluations.** These evaluations are not currently undertaken by IEO. To ensure a proper assessment of impact, such evaluations would need to be conducted 2–3 years after project closure. When IEO decides to introduce such products, they will follow quasi-experimental or experimental designs, including randomised control trials. For projects that were approved in previous years and have started implementation, IEO will utilise an “ex-post” method for impact evaluations. For newly approved projects, randomised control trials or difference-in-differences methods may also be considered. Conducting an impact evaluation would be expected to take around eight months. Projects that are highly innovative, particularly those utilising specific technologies, could be good candidates for impact evaluations.
- 144. Country portfolio evaluations (CPEs).** The broad objective of CPEs will be to assess the overall partnership between NDB and the concerned country including the results in promoting sustainable economic and social development. The main objectives of CPEs are to: (i) assess the results of the NDB-country partnership; and (ii) generate lessons and recommendations for strengthening the partnership and determining priorities for the future.
- 145.** For countries where CPEs will be done for the first time, all operations and activities will be covered since the Bank started its operations in 2015. For subsequent CPEs covering the same country, the timeframe of activities to be evaluated will be determined based on the timeframe of the most recent CPE in the country.
- 146.** CPEs will entail assessing two reinforcing pillars of the cooperation: (i) the NDB project portfolio; and (ii) non-lending activities such as knowledge-sharing, partnerships and others. CPEs will also entail an assessment of NDB’s strategic priorities and positioning in the country. Based on the aforementioned, the CPE will formulate an overarching NDB-country partnership performance assessment. CPEs will entail extensive field work to a number of projects by multidisciplinary IEO teams and wide-ranging stakeholders’ consultations. On a case-by-case basis as part of the CPE, depending on the size of the portfolio, quality of data availability and previous IEO evaluations in the same country, IEO may commission dedicated surveys of selected projects to collect additional primary data for the evaluation’s analysis.
- 147.** Given the scope and significance of CPEs, as compared to individual project evaluations, as mentioned earlier, IEO will organise a knowledge-sharing seminar at the country level at the end of each CPE. The purpose of such seminars is to share the results and lessons from the CPE, and engage multiple stakeholders in a dialogue and reflection on the main themes captured in the final report. Moreover, at the outset of the CPE, IEO will organise an inception workshop, mostly targeting project staff and NDB colleagues, so they are fully aware of the CPE and the contribution required on their part during the process. CPEs are expected to be completed within a nine-to-ten-month period.
- 148. Sector/thematic evaluations.** Such evaluations cover a selected theme/sector of significance to NDB, which usually would be a priority in the Bank’s General Strategy (e.g. infrastructure, transportation, energy, climate-finance, etc.). Normally, thematic/sector evaluations would cover NDB activities in more than one NDB member country, although there may be some instances when a thematic/sector evaluation would be confined to one country.

- 149.** The main purpose of such evaluations is to assess the Bank's performance in a particular sector/theme and to generate lessons and recommendations for the way forward. In order to enhance the usefulness of these types of evaluations, it is advisable to conduct such an evaluation before the preparation of a new policy/strategy or revision of an existing one on the same theme. However, they are also useful as tools for generation and documentation of knowledge, experience, and good practices on important topics for the Bank and its members. Thematic/sector evaluations are expected to be completed in ten to twelve months.
- 150. Evaluation synthesis reports (ESRs).** Unlike all other IEO products, ESRs are knowledge products and focus by and large on generation of lessons and good practices. They do not focus on accountability and performance assessment. Each ESR focuses on one theme of importance to NDB, with the aim of filling knowledge gaps in areas of priority outlined in the Bank's General Strategy. Some examples include environment management, digitalisation, water and sanitation and others. ESRs are largely informed by other IEO reports, and evaluations on the same topics by peer organisations. They may be supplemented by research findings in NDB and other organisations. Given the nature of the product, they would not include recommendations, nor require a written NDB Management Response. ESRs would normally be completed in a nine-month period.
- 151. Corporate-level evaluations (CLEs).** These are the most complex types of evaluations done by IEO and will be completed in a 12-month period. CLEs will assess the results of NDB corporate policies, strategies, systems, business processes and organisational aspects (e.g. governance, human resources, information technology, the project cycle, procurement, financial architecture, and others), and seek to further corporate accountability. Given that different topics are likely to be treated by different CLEs, their methodology and process will be defined during the preparation of the approach paper but will largely follow the core principles in the Evaluation Policy, Evaluation Strategy and this Manual.
- 152. Mid-term evaluations.** Given that the Bank only started operations in 2015 and the rather limited number of completed operations, IEO is currently evaluating some projects before completion. It will also selectively undertake mid-term evaluations (MTEs), with the aim of assessing performance and providing recommendations for the remaining period of implementation towards ensuring better outcomes at completion. Conducting such evaluations will not be mainstreamed across the portfolio, but only undertaken in special circumstances on an exceptional basis. In conducting MTEs, IEO will draw on self-evaluation data available in internal NDB systems and progress reports prepared by project authorities as well as studies of relevance prepared by others. Conclusions will be carefully drawn, considering on-the-ground realities, implementation opportunities, and challenges faced, and will be used to formulate recommendations to enhance the project's performance during the remaining period of its implementation.
- 153. Joint evaluations.** Joint evaluations are powerful instruments for enhancing cross-fertilisation of experiences and learning from each other. In addition to doing joint evaluations with other MDBs, opportunities to conduct joint evaluations will be explored with national development banks, government entities responsible for evaluation, newly established institutions, and other such organisations in NDB member countries. Through joint evaluations, inter-alia, IEO can focus on evaluating NDB partnerships, what makes NDB financing unique and developing/improving joint evaluation methodology. It also enhances the efficiency, especially from a member country's perspective, when it comes to the need for undertaking evaluations of the same project funded by more than one financier.
- 154. Report on NDB's Development Results (RDR).** The RDR will provide an overview of aggregate performance of NDB operations and related activities. This report will summarise key results and trends in performance, findings and lessons from a cohort of evaluations and offer suggestions for the way forward. Each edition of the RDR will include a dedicated chapter on one specific theme of significance to the Bank and its member countries (e.g. infrastructure, climate change, etc).

ANNEXES

ANNEX 1.

Selectivity framework

The selectivity framework includes a series of criteria for deciding what should be evaluated and included in IEO's work programme, by type of evaluation. It promotes transparency and objectivity in prioritising evaluations to be done by the Independent Evaluation Office. The rating for selection is given on a five-point scale – with 5 the highest and 1 the lowest.

Type of evaluation	Criteria for inclusion in an evaluation	Rating scale 1–5 (higher the better)
Project performance evaluation (PPE)	<ol style="list-style-type: none"> 1. Are there major information gaps, inconsistencies, and analytical weaknesses in the project completion report (PCR) found by IEO? 2. Does the project have innovative approaches (sectoral, cross-cutting considerations or institutional arrangements) that can be scaled up elsewhere? 3. Is there a high disconnect between the ratings contained in the PCR and those reflected from review of documents and management information system data? 4. How does this evaluation fit in the geographical balance of the IEO evaluation portfolio? 5. How does the evaluation fit into the desired public-private mix in project evaluation? 6. What other IEO deliverables (e.g. an evaluation synthesis) would this evaluation contribute to? 7. Does IEO have the resources (financial and human) to conduct this evaluation? 	
<i>Average score for selecting the PPE</i>		
Impact evaluation (IE)	<ol style="list-style-type: none"> 1. Is the impact evaluation relevant for the NDB strategic priority? 2. Are there outcomes emerging from project evaluations which merit more in-depth study, including further analysis of their impact? 3. Is there capacity in the country and in IEO to do an impact evaluation, including resources? 4. Is the timing of proposed impact evaluation appropriate for different country level stakeholders? 5. Is the time after project closure appropriate – neither too early after project closure, nor too late for impact evaluation? 6. Is a reference group available for counterfactual analysis, or has it been built from the beginning? 	
<i>Average score for selecting the IE</i>		

Type of evaluation	Criteria for inclusion in an evaluation	Rating scale 1–5 (higher the better)
Country portfolio evaluation (CPE)	<ol style="list-style-type: none"> 1. Are there adequate projects in the country to carry out a CPE? 2. Are the projects selected for field visits representative of the country portfolio? 3. Is the timing of CPE appropriate given the political/ environmental context? 4. Is there a critical decision point in NDB or the member country which would drive the timing of this evaluation? 5. Are there innovative aspects of country portfolio outcomes (sectoral, cross-cutting considerations or institutional arrangement) that can be scaled up elsewhere? 6. Are there gaps in country portfolio implementation from which lessons could be drawn? 7. What other IEO deliverables (e.g. thematic evaluations) could this evaluation draw on and/or contribute to? 8. Does IEO have resources (financial and human) to conduct this evaluation? 	
<i>Average score for selecting a country for CPE</i>		
<ul style="list-style-type: none"> • Thematic evaluation (TE) • Corporate-level evaluation (CLE) • Evaluation synthesis (ES) 	<ol style="list-style-type: none"> 1. Is this topic an area of priority for NDB's stakeholders? 2. Is this topic in line with NDB's strategic priorities, sectoral priorities, and cross-cutting considerations? 3. Will this evaluation address a knowledge gap in NDB? 4. Is there a critical decision point in NDB which would drive the timing of this evaluation? 5. How does this evaluation fit within IEO's objective? 6. Are there adequate project performance/impact evaluations to support the evaluation? 7. What other IEO deliverables would this evaluation contribute to? 8. Does IEO have resources (financial and human) to conduct this evaluation? 	
<i>Average score for selecting TE/CLE/ES</i>		

ANNEX 2.

Evaluation Cooperation Group evaluation criteria

The Evaluation Cooperation Group (ECG) was established in 1996 to promote a more harmonised approach to evaluation methodology among multilateral development banks (MDBs). The six evaluation criteria²³ that guide their work are described below:

- i. **Relevance:** Consistency of the development interventions objectives with beneficiary needs, the country's development or policy priorities and strategy, and the international financial institution's assistance strategy and corporate goals; and the adequacy of the project's components (design) to achieve those objectives.
- ii. **Coherence:** The extent to which other interventions (particularly policies) support or undermine the intervention, and vice versa.
- iii. **Effectiveness:** The extent to which the project achieved (or is expected to achieve) its stated objectives, taking into account their relative importance.
- iv. **Efficiency:** The extent to which the project has converted its resources economically into results.
- v. **Impact:** Higher level of outcomes of projects or strategy.
- vi. **Sustainability:** The likelihood of continued long-term benefits, and the resilience to risk of net benefit flows over time

These criteria provide a normative framework for evaluating the merit or worth of interventions, including policies, strategies, programmes, projects or activities. By applying these criteria thoughtfully, evaluators contribute to informed decision-making and better development outcomes.

23 Adapted from Evaluation Cooperation Group, Big Book on Evaluation Good Practice Standards, 2012, ECG Big Book on Good Practice Standards | Evaluation Cooperation Group (ecgnet.org). <https://www.ecgnet.org/document/ecg-big-book-good-practice-standards>.

ANNEX 3.

Organisation for Economic Co-operation and Development – Development Assistance Committee (OECD–DAC) evaluation criteria

The OECD-DAC first laid out five evaluation criteria in 1991 and provided definitions for them in 2002. These five criteria – relevance, effectiveness, efficiency, impact and sustainability – have become a common reference point for evaluators in development co-operation and beyond.

Prompted by a desire to respond to the 2030 Agenda and the opportunity to draw on extensive experience and learning since the criteria were first defined, a wide-ranging consultation and adaptation process was undertaken in 2017–2019, and revised criteria and definitions were endorsed by the DAC in December 2019.²⁴ The revised definitions are listed below:

- i. Relevance:** *Is the intervention doing the right things?*
The extent to which the intervention objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
- ii. Coherence:** *How well does the intervention fit?*
The compatibility of the intervention with other interventions in a country, sector or institution.
- iii. Effectiveness:** *Is the intervention achieving its objectives?*
The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.
- iv. Efficiency:** *How well are resources being used?*
The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.
- v. Impact:** *What difference does the intervention make?*
The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
- vi. Sustainability:** *Will the benefits last?*
The extent to which the net benefits of the intervention continue, or are likely to continue.

²⁴ OECD (2019), *Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use*, DAC Network on Development Evaluation, OECD Publishing, Paris, <https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf>.

ANNEX 4.

Evaluation questions to explore performance on cross-cutting considerations in the NDB General Strategy for 2022–2026

The NDB General Strategy for 2022–2026 refers to three cross-cutting considerations: (i) inclusiveness and equity; (ii) climate change and disaster resilience; and (iii) technology integration. These are specific priorities of NDB, but all three considerations may apply in the case of all evaluations. The evaluation questions that could be explored on these cross-cutting considerations are discussed below.

1. Inclusiveness and equity

- To what extent was there inclusive engagement from member countries, clients, local governments, and other stakeholders during the design of the project? Were diverse viewpoints recorded, with priority given to marginalised groups?
- How were social safeguards addressed? Were the safeguards relevant and effective?
- To what extent do the project's objectives and design contribute to addressing systemic inequities and promoting a more inclusive society?
- To what degree were issues of inclusiveness and equity reflected in the results frameworks, outcomes, outputs and activities etc.?
- To what extent were the local government and network partners involved in implementation?
- How effectively do monitoring and evaluation systems capture disaggregated data for various population groups, geographic locations and contexts to allow for equity analysis?
- To what degree were the objectives, outcomes, and outputs related to equity and inclusion achieved? What lessons were learned about challenging power relations and promoting inclusion and equity?
- What is the net social benefit resulting from the project? How should this be viewed from an equity perspective?
- How might the project be implemented differently between population groups, geographic locations, and contexts to promote inclusiveness and equity?

2. Climate change and disaster resilience

- To what extent did the project appropriately incorporate the strengthening of climate and disaster resilience into its design?
- To what degree was the project based on an inclusive, equity-oriented analysis of the factors contributing to climate change and disasters? How comprehensively was the larger ecosystem contributing to resilience considered?
- To what extent did the project aim to strengthen local government-formed committees engaged in climate and disaster resilience, and make them more inclusive?
- How relevant, equitable and sustainable was the project's response to disasters during the project period?
- To what extent did the project use relevant technology to predict and address climate change and disasters?
- How effectively did the project influence policies on climate change adaptation and disaster response from a technical and equity perspective?

3. Technology integration

- How effectively are technological tools and platforms utilised to collect, analyse and manage data in evaluation processes?
- To what extent does the integration of technology in evaluation improve the accessibility and inclusivity of the evaluation process for all stakeholders?
- How does technology integration contribute to the enhancement of evaluation rigour, quality, and transparency?
- In what ways does the use of technology in evaluation align with and support the achievement of sustainable development goals and climate resilience?
- What mechanisms are in place to ensure the ethical use of technology, including data privacy and security, in the evaluation process?
- How thoroughly did the design of the project consider the potential uses of technology for effectiveness and efficiency?
- To what extent was technology utilised to promote inclusion and equity in the implementation?
- How effective was the project in encouraging the actual use of technology by member countries, producer groups, and the private sector?
- To what degree is the technology use by stakeholders, under the project, sustainable?
- Were there any unanticipated negative or positive impacts from using technology? If yes, please elaborate.

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