



European Investment Bank

**Operations Evaluation (EV)
Terms of Reference**

September 2009

As approved by the EIB Board of Directors

OPERATIONS EVALUATION (EV¹) TERMS OF REFERENCE

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Mandate and Objectives

Operations Evaluation carries out ex-post evaluations. Its activities are extended to all areas of the EIB Group.

- EV focuses on the quality and the results of the EIB Group's operations within the framework of relevant EU policies (the Treaty, Directives, Council Decisions, Mandates, etc) and the decisions of the EIB Governors. EV independently and systematically evaluates both public and private sector operations supported by all types of financial resources as well as related policies and strategies. Evaluations may identify aspects of EU policies which may need to be reviewed by the appropriate bodies to enable the EIB Group to implement its operations better.
- As a general rule EV evaluates issues of current relevance to the EIB Group, typically on the basis of a sample of operations selected by EV. This sample usually covers a number of countries. Exceptionally, an evaluation may concentrate on a single operation of particular interest.
- The objective of an evaluation is to assess the Group's operations with a view to identifying aspects which could improve operational performance, accountability and transparency.

Institutional set-up

Operations Evaluation falls under the responsibility of the Inspector General. The Inspector General is independently performing its tasks and is accountable to the President and to the Management Committee. Operations Evaluation independent handling of its activities is ensured as described in the following section. EV shall have sufficient experienced staff, on a rotating basis, and budgetary resources to ensure the fulfilment of its mandate. EV budget is approved by the Board of Directors under a separate budget line. Conflicts of interest are to be avoided and guidelines to achieve this are in place. In carrying out its task, EV is free to undertake, to report and to publish.

Conduct of ex-post evaluations

- Taking account of the available resources, a rolling work programme is established by EV in consultation with the Directorates concerned. The Work Programme is discussed with the Management Committee who sends it to the Board of Directors³ for decision. Both the Management Committee and the Board of Directors can enhance the Work Programme. The evaluation programme should ensure adequate coverage of Group operations. If requested, EV will also undertake ad hoc evaluations or reviews.
- Evaluation takes place during the later stages of the project's cycle, normally one or two years after a project has started operating, or when the operations are considered as completed. EV may already carry out an evaluation during project implementation. Where feasible, joint evaluations with other institutions can be performed.
- EIB Group operations are assessed using internationally accepted evaluation criteria (based on relevance, effectiveness, efficiency and sustainability); the EIB Group contribution to the operations (financial and non financial) is assessed, thus ensuring the full review of the "three pillars of value added". The EIB Group management of the project cycle as well as, when relevant, the "financial performance" of the EIB Group are also assessed. Evaluations take due account of the analytical criteria

¹ Within the organisation, EV is referred to as IG/EV, being part of the Inspectorate General

² The Terms of Reference were approved by the EIF Board of Directors on 16 November 2009.

³ For any evaluation, Board of Directors means the corresponding governing body (EIB Board of Directors, EIF Board of Directors, Assembly of Donors, etc.). Management Committee means Chief Executive Officer (CEO) for the EIF.

used at the time of appraisal and the strategies, policies and procedures that relate to the operations evaluated. Where, following appraisal, there have been changes in EIB Group policies or procedures, which are relevant to the findings of the evaluation, these are set out in the report and taken into account in the recommendations.

- As part of each ex-post evaluation exercise, EV produces individual evaluation reports covering single operations and a synthesis report which includes the findings of these reports. The individual evaluation is based in the first instance on existing documentation within the EIB Group. EV normally also verifies the facts independently by carrying out on-site visits and direct discussions with the persons concerned, whilst at the same time avoiding any unnecessary burden on the promoters. Individual evaluation reports are sent for comments to all Directorates concerned and, if appropriate, to clients and relevant parties before finalisation. Any unresolved differences of view regarding these evaluations are separately recorded in the final report.
- The synthesis report summarises the findings of the evaluation and makes recommendations for direct implementation. The directorates' responses to the various recommendations are also presented in the report, including whether the recommendations are accepted or rejected; when rejected, the Management Committee will add its own point of view. EV periodically reports on the implementation of the recommendations.
- EV's synthesis reports are presented to the Management Committee who sends them, without change, to the Board of Directors for discussion. EV reports may be accompanied by a reply from the Management Committee. EV synthesis reports are then published under the authority of the Board of Directors, when applicable together with the Management Committee's reply.

Cooperation within the EIB Group

Close cooperation with other services of the EIB Group is essential in promoting a fruitful exchange of ideas and experience, as well as the application of recommendations. This cooperation is reflected in particular in:

- The preparation of EV's rolling work programme;
- EV's participation in the preparation of EIB Group policy papers;
- The evaluations carried out independently by EV with the support of the operational directorates.

The operational directorates facilitate EV's access to promoters, make available the relevant staff in order to ensure effective and swift consultation, and grant access to databases and any other necessary information regarding operations.

Dissemination of evaluation results and external relations

The findings, conclusions and recommendations of evaluation work are communicated to operational staff, EIB Group decision makers and stakeholders in order to improve operational practices. Internally, the main vehicle of communication is the EV intranet site, where evaluation reports are posted. External publication of information takes place mainly via the Bank's internet site (<http://www.eib.org/evaluation>).

With regard to confidentiality issues concerning the publication of evaluation work, the EIB disclosure policy is applicable. The EIB guarantees confidentiality vis-à-vis its clients and ensures that individual promoters cannot be identified unless their prior approval has been obtained.

EV is responsible for EIB Group external relations in the field of evaluation, and cooperates with the Press Office and Communication Department in this area. In the field of evaluation, EV also cooperates with other IFIs/MDBs, the European Commission and bilateral aid agencies coordinated by the OECD. EV is a member of the Evaluation Cooperation Group.