



**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

Learning and Evaluation Policy

APPROVED May 19, 2021

CONTENTS

I.	INTRODUCTION	1
II.	OBJECTIVE AND SCOPE OF THE POLICY	1
III.	DEFINITIONS	1
IV.	PURPOSE OF LEARNING AND EVALUATION ACTIVITIES.....	2
V.	BANK ROLES AND RESPONSIBILITIES.....	2
VI.	PRINCIPLES UNDERLYING LEARNING AND EVALUATION ACTIVITIES.....	4
VII.	CRITERIA FOR CONDUCTING LEARNING AND EVALUATION ACTIVITIES.....	5
VIII.	CONDUCT OF LEARNING AND EVALUATION ACTIVITIES.....	6
IX.	INTERNATIONAL PARTNERSHIP AND COOPERATION.....	8
X.	DISCLOSURE	8
XI.	REVIEW OF THE POLICY	8

Table of Acronyms

AIIB	Asian Infrastructure Investment Bank
CEIU	Complaints-resolution, Evaluation and Integrity Unit
ELA	Early Learning Assessment
LEA	Learning and Evaluation Activity
OECD/DAC	Development Assistance Committee of the Organisation for Economic Cooperation and Development
PLR	Project Learning Review
PSC	Policy and Strategy Committee of the AIIB Board

Learning and Evaluation Policy

I. INTRODUCTION

1. **Mandate for Evaluation.** The 2019 Decision on the Oversight Mechanism by the Board of Directors (Board) of the Asian Infrastructure Investment Bank (Bank) formally established the Bank's evaluation function under the responsibility of the Bank's Complaints-resolution, Evaluation and Integrity Unit (CEIU). This fulfilled the Board's mandate under *Section 26 (iv)* of the Bank's Articles of Agreement to establish such a function, the importance of which had been recognized from the Bank's inception. The CEIU's evaluation function is further elaborated in the Terms of Reference for the CEIU ([CEIU Terms of Reference](#)).
2. **Evaluation under the Operational Policy on Financing.** The Operational Policy on Financing (OPF) addresses the importance of evaluability of Projects by: (a) requiring that each Project proposed for Bank financing have clearly defined development objectives consistent with Article 1 of the Articles that permit appropriate evaluation of the Project's impact; and (b) requiring the Bank to review progress towards achievement of the Project's development objectives and related results and evaluate, ex-post, the Project's impact (OPF, *Section 3.2*).
3. **Learning and Evaluation under the Corporate Strategy.** The Bank has articulated the centrality of learning based on its knowledge acquisition and experience in its Corporate Strategy, Financing Infrastructure for Tomorrow (Corporate Strategy). The Corporate Strategy rests on five pillars, one of which is the development of a corporate culture with a strong dimension of learning for continuous improvement.

II. OBJECTIVE AND SCOPE OF THE POLICY

4. **Objective.** The objective of this Policy is to establish a robust structure for independent evaluation of AIIB's ordinary and special operations by CEIU, in line with the CEIU Terms of Reference, that will contribute to the Bank-wide culture of continuous improvement through learning and its application.
5. **Scope.** This Policy covers: (a) the purpose of learning and evaluation activities (LEAs) in the Bank; (b) the key roles and responsibilities of the Board, CEIU and Bank Management in respect of learning and evaluation; (c) the principles underlying LEAs; (d) the essential criteria to be applied by CEIU in conducting LEAs; (e) the conduct of LEAs; (f) disclosure of LEAs; and (g) review of the Policy.

III. DEFINITIONS

6. As used in this Policy, the following capitalized terms and acronyms have the meanings set forth below. Other capitalized terms used in this Policy have the meanings set forth in the OPF.

- (a) **Early Learning Assessment** or **ELA** refers to a learning assessment of a Project conducted by CEIU during the implementation of the Project, as more fully described in this Policy.
- (b) **Learning and Evaluation Activities** or **LEAs** refers to all evaluative learning activities conducted by CEIU under this Policy comprising ELAs, PLRs and other activities consistent with this Policy.
- (c) **Project** means the specific set of activities for which Bank financing is provided, as defined in the agreements governing such financing; the term may include a discrete set of activities or a program of activities.
- (d) **Project Learning Review** or **PLR** refers to a learning review of a Project conducted by CEIU following the Project's completion, as more fully described in this Policy.

IV. PURPOSE OF LEARNING AND EVALUATION ACTIVITIES

- 7. The primary purpose of LEAs is to contribute to the Bank's culture of continuous improvement and learning so as to strengthen institutional performance and credibility. They are intended to provide a forward-looking, solution-seeking and learning-oriented approach to independent evaluation through the conduct of timely, impartial and evidence-based learning and performance assessments of Projects in order to: (a) enable informed decision-making on the enhancement and future design of Projects; and (b) strengthen accountability and recognition for sound performance. LEAs recognize that lessons can be identified, applied and learned, and capacities strengthened even as Projects are being developed or under implementation.
- 8. LEAS are therefore designed to: (a) enable the Board to take into account their lessons in exercising institutional oversight and accountability for the results achieved from the Bank's operations; (b) contribute objective analysis, insight and lessons that can be applied to enhance decision-making by the Board and Bank Management and contribute to the achievement of quality development outcomes of Projects; and (c) contribute to a strong corporate culture focused on results, lessons, continuous improvement and accountability.

V. BANK ROLES AND RESPONSIBILITIES

- 9. **Shared Responsibilities.** Learning and evaluation under this Policy are Bank-wide responsibilities involving shared but distinct roles and responsibilities of the Board, CEIU and Management, as outlined below.
- 10. **Board.** The Board:
 - (a) Approves this Policy and any revisions to it, and it oversees its implementation.

- (b) Endorses CEIU's annual work plan and approves its budget as a separate line item within the Bank's overall budget, as provided in the CEIU Terms of Reference.
 - (c) Exercises institutional oversight of and accountability for the performance, results and effectiveness of the Bank's operations, policies and strategies and the performance by CEIU and Management of their respective roles and responsibilities under this Policy.
 - (d) Reviews and may discuss CEIU's LEA reports and any Management responses to these reports, providing direction to CEIU and Management on the basis of these reviews.
 - (e) Delegates, as it deems appropriate, any of its responsibilities for overseeing implementation of this Policy to its Policy and Strategy Committee (PSC).
11. **CEIU.** Consistent with the CEIU Terms of Reference, CEIU's Managing Director reports directly to the Board on all LEAs under this Policy and has unimpeded access to the Board to report on its work under this Policy. In addition, CEIU, led by its Managing Director:
- (a) Develops, issues and updates guidance designed to facilitate implementation of this Policy and as needed, proposes revisions to this Policy.
 - (b) Prepares, in accordance with the CEIU Terms of Reference and in consultation with Management, an annual work plan and budget for LEAs.
 - (c) Conducts LEAs in accordance with this Policy.
 - (d) Facilitates and encourages the use of findings and lessons from LEAs and peer institution evaluations by:
 - (i) compiling, contextualizing, synthesizing and disseminating the findings and lessons internally and externally and storing them in a lessons database; and
 - (ii) conducting training and awareness-raising sessions and providing explanatory materials for staff on lessons and findings from LEAs.
 - (e) Participates in operational policy and sector strategy reviews, as appropriate, conducted by Management and provides independent inputs in order to inform these reviews; however, decisions under these reviews, including relating to formulation and revisions to policies and strategies, remain within Management's discretion.
 - (f) Reports to the Board: (i) periodically on the implementation of its annual work plan; (ii) annually on its work plan results and lessons identified; and (iii) periodically on Management's application of findings, recommendations and lessons from LEAs.
 - (g) Participates with other organizations in evaluative activities of common interest, including with co-financiers of Projects supported by the Bank.
12. **Management.** Management, led by the Bank's President:

- (a) Promotes at all levels within the Bank a robust corporate culture that strives for continuous improvement through learning, lesson identification and application, aligned with the Bank's Corporate Strategy.
- (b) Is responsible for the design of each financing proposed for a Project and the due diligence assessment and oversight of the Project, including the articulation of the Project's objectives and expected results in a manner designed to allow for evaluability of the Project.
- (c) (i) Consults with CEIU on the proposed annual work program for LEAs; (ii) requires Bank staff to cooperate fully with CEIU in the implementation of CEIU's work plan; (iii) provides input to CEIU for its periodic tracking and reporting on those findings, recommendations and lessons from LEAs with which Management agrees; and (iv) affords CEIU timely and unrestricted access to Bank staff and information in their possession required for CEIU to carry out LEAs.
- (d) Participates in Board and Board committee meetings on LEA reports.
- (e) Considers the findings of LEAs and lessons derived from them and decides whether to apply them to inform: (i) due diligence assessment and implementation oversight of Projects; and (ii) development or revision of operational policies and strategies proposed for Board approval.
- (f) Invites CEIU to participate in operational policy and sector strategy reviews, as appropriate, conducted by Management.

VI. PRINCIPLES UNDERLYING LEARNING AND EVALUATION ACTIVITIES

- 13. LEAs are anchored in seven mutually reinforcing principles: usefulness, credibility, quality, independence, impartiality, transparency, and collegiality and engagement. The principles are elaborated below.
 - (a) **Usefulness.** The findings and lessons from LEAs are timely, relevant and contextualized; and are presented in a clear, concise and accessible manner to enhance: (i) learning; (ii) decision-making in relation to the design and implementation of Projects and policy and strategy development; (iii) adaptive management, involving adjustments in response to new information and changes in context; and (iv) accountability. They are customized as needed to be readily usable by the intended users in their decision-making.
 - (b) **Credibility.** LEAs are based on relevant internationally recognized standards, criteria and processes, as well as reliable evidence and observations, clearly stating any limitations in the available evidence; and they make use of independent expertise. LEAs are conducted by applying appropriate and transparent approaches and methodologies, are based on well-researched preparatory work, sound data collection and analytical methods and follow a consultative approach to ensure that diverse stakeholder views are reflected in findings.

- (c) **Quality.** The criteria used for LEAs are based on lessons and experiences of peer multilateral development institutions, as well as on internationally recognized quality standards for evaluation outlined by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC). LEAs are clearly defined, appropriately costed and based on reliable information and professional rigor so as to deliver evidence-based findings and lessons. LEAs are conducted in adherence to ethical research principles and involve responsible use of technology, as well as guarantees of confidentiality where appropriate.
- (d) **Independence.** LEAs are conducted independently by CEIU in the absence of restrictions imposed by Management that could limit transparent discussion and disclosure of evaluation findings.
- (e) **Impartiality.** LEAs are conducted in accordance with sound professional standards, including the highest ethical standards, and in a manner designed to avoid or appropriately manage conflicts of interest. LEAs are based on balanced and evidence-based approaches designed to identify findings and derive lessons at the institutional level, whether positive or negative, so as to strengthen the Bank's operations and processes and enhance its corporate culture.
- (f) **Transparency.** The processes for LEAs are designed to be transparent. The process proposed for each LEA is documented and where feasible agreed with Management. Findings and lessons from each LEA are documented, together with supporting evidence, are reviewed with Bank Management and reflect any divergence of views. Thereafter, LEAs are submitted to the Board and, in the case of PLRs, jointly with any Management response to the PLR's findings and lessons. Disclosure of LEAs is governed by *Section X* of this Policy.
- (g) **Collegiality and Engagement.** LEA processes are designed so that independence is accompanied by collegiality and constructive two-way engagement between CEIU and Management in order to enhance the Bank's growth mindset and a culture of striving for continuous improvement.

VII. CRITERIA FOR CONDUCTING LEARNING AND EVALUATION ACTIVITIES

- 14. In conducting LEAs, CEIU selectively employs, as relevant: (a) evaluation criteria described below, which are drawn from and elaborated in the OECD/DAC [Applying Evaluation Criteria Thoughtfully](#) (2021) depending on the context, purpose, nature and scope of the activity; as well as (b) criteria for Bank work quality set out below.
 - (a) **Relevance: Is the intervention doing the right things?** Relevance refers to the extent to which the intervention's objectives and design respond to beneficiaries', global, country and partner/institution needs, policies and priorities, and will continue to do so if circumstances change.

- (b) **Coherence: How well does the intervention fit?** Coherence refers to the compatibility of the intervention with other interventions in the country, sector or institution.
 - (c) **Effectiveness: Is the intervention achieving its objectives?** Effectiveness refers to the extent to which the intervention achieved, or is expected to achieve, its objectives and its results, including any differential results across groups.
 - (d) **Efficiency: How well are resources being used?** Efficiency refers to the extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.
 - (e) **Impact: What difference does the intervention make?** Impact refers to the extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
 - (f) **Sustainability: Will the benefits last?** Sustainability refers to the extent to which the net benefits of the intervention continue or are likely to continue.
15. **Criteria for Bank Work Quality.** Taking into account factors, such as the complexity and novelty of the Project or its context, as well as the anticipated likelihood to yield significant lessons, CEIU employs the following criteria to LEAs with the aim to: derive lessons from Project performance based on elements within the control of the Bank; and incentivize and recognize efforts for continuous improvement and adaptive management through problem-solving, corrective actions, risk management and good use of opportunities. Work Quality is addressed in the ELA but not under a separate heading.
- (a) **Work Quality Prior to Project Approval:** This criterion refers to the quality of the Bank's work during its due diligence assessment of the Project, including: (i) identification of risks, risk mitigation measures and opportunities, demonstrating, as appropriate, the application of lessons learned; and (ii) design of measures to enable evaluability of the Project.
 - (b) **Work Quality After Project Approval:** This criterion refers to the quality of the Bank's work during its oversight of Project implementation, including: (i) identification and monitoring of risks and impacts; and (ii) proactive management of issues as they arise and changes as they occur, including use of opportunities and identification, application and sharing of lessons learned.

VIII. CONDUCT OF LEARNING AND EVALUATION ACTIVITIES

16. **General**
- (a) The principal LEAs conducted by CEIU are ELAs and PLRs, described in further detail below.
 - (b) ELAs and PLRs are conducted both for Projects that are approved by the Board and for Projects for which the Board has delegated its authority to approve to the President under the Regulation on the Accountability Framework.

- (c) ELAs and PLRs are designed to identify the results achieved under a Project, whether intended or not, to understand the drivers of these results and to derive lessons on what worked or did not work and why.
 - (d) In conducting each PLR and ELA, CEIU applies: (i) the principles set out above in *Section VI. Principles Underlying Learning and Evaluation*; and (ii) criteria selected from those referred to above in *Section VII. Criteria for Conducting Learning and Evaluation Activities*.
 - (e) The findings of each PLR and ELA and lessons derived from them are presented in a report prepared by CEIU. Before the report is finalized, CEIU discusses it with Management and relevant Project staff so that they may share further information and ideas that would help inform the report, enhance the accuracy of the findings and to the extent feasible, lead to timely agreement on the lessons. Once finalized, the report is submitted to the Board for discussion.
17. The following sets out more detailed requirements for, respectively, ELAs and PLRs.
18. **Early Learning Assessments (ELAs)**
- (a) ELAs are designed as snapshots of Projects under implementation in order to rapidly identify and document high quality, evidence-based and useful findings and lessons that can be applied to enhance the quality of Projects and associated Bank processes. They are not designed as Project evaluations or Project completion assessments.
 - (b) ELAs focus on selected Projects in the Bank's financing portfolio and, where relevant, on aspects of strategic importance to the Bank. They aim to promote timely feedback in order to enhance the Bank's due diligence assessment of, decision-making on and oversight of, Projects under development or implementation.
 - (c) Key ELA considerations include application of: (i) relevant Bank policies and procedures to the Project; (ii) the Project's results framework and its theory of change; and (iii) lessons relevant to the Project.
 - (d) Differences of views between CEIU and Management on the findings and lessons from ELAs are reflected in the ELA reports.
 - (e) ELAs are undertaken for selected Projects chosen by CEIU in consultation with Management.
19. **Project Learning Reviews (PLR)**
- (a) PLRs are undertaken at an appropriate point after Management has issued the completion note on the Project as required under OPF, *Section 3.5.5*. PLRs are retrospective in nature and seek to derive practical lessons for general and future consideration in Project design and oversight.

- (b) The PLR is based on an approach paper¹ prepared by CEIU, which reflects the choice of criteria to be applied for the PLR, together with the rationale for such choice and proposed methods for their application. Management provides comments on the approach paper for the PLR. Both Bank and client performance are assessed, as well as achievement of the Project's objectives.
- (c) CEIU undertakes each PLR in collaboration with operational or other relevant staff assigned by Management, who were not involved in the Project's due diligence assessment, structuring of its financing or implementation oversight. Such staff are jointly selected by Management and CEIU. The involvement of such staff is designed to maximize learning from the PLR, including through structured and candid discussions, on-site observations, interviews and use of triangulated processes and data sources.
- (d) The insights and reflections generated by this collaboration are reflected in the PLR report. CEIU and Management each retain the right to document differences of views regarding the findings and lessons from the PLR. Management may therefore prepare a response to the PLR report, in which case it is submitted to the Board together with the PLR report.
- (e) PLRs will normally be undertaken for all standalone completed Projects during the first five (5) years following approval of this Policy. Thereafter, PLRs may be undertaken more selectively, in accordance with CEIU's annual work plan.

IX. INTERNATIONAL PARTNERSHIP AND COOPERATION

- 20. CEIU cooperates and partners with peer learning and evaluation staff of other organizations to enhance the Bank's learning and evaluation capacities and LEA quality through sharing experiences and contributing to the development and alignment of learning and evaluation standards and good practices.

X. DISCLOSURE

- 21. The Policy on Public Information (PPI) governs the information developed pursuant to this Policy. Consequently: (a) PLR reports are disclosed together with any Management responses to them; and (b) ELA reports, which constitute deliberative information under the PPI, are not disclosed (see PPI, *Section 8. Exceptions to Disclosure Requirements*).

XI. REVIEW OF THE POLICY

- 22. This Policy will be reviewed no later than five (5) years after its adoption in light of experience gained in its application and the evolving needs and priorities of the Bank.

¹ An approach paper defines the context-specific evaluation methodology and the main evaluation parameters and criteria proposed for the PLR.