THE WORLD BANK GROUP ARCHIVES

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Folder Title:	Operations Evaluation Department [OED] Policies and Programs - ICR (Implementation Completion Report) Working Group - (Volumes 1 of 2) - Correspondence 01/02
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CLOSE-OUT SHEET

This File Covers The Period From _____ To _____

For Further Correspondence, See ___ _Vol. 2_ _____

Alex H. Mckenzie

04/16/98 12:09 PM

Extn: 30479   OEDPK
Subject: Posting completed Evaluation Summary forms in Lotus Notes: Simple guidelines

The ICR Review process in Lotus Notes now provides a mechanism to **post** finalized Evaluation Summary (ES) forms. As originally intended, posted ES forms will be transferred to OEDCM's corporate evaluation database and, will also become available (shortly!) on the Bank's intranet via ETB.

Since many Evaluators have several Evaluation Summaries ready, we are asking you to please go back and post your completed forms. The process is quick and simple:

- While editing your completed ES form, click the **Post Form** button. You will need to enter a **posting date**, the date when the ES was actually finished.
- You also need to indicate the status of the PIF for this project (completed or not). This information is for **tracking purposes only**, it will not be shown on the form.
- Once posted, the ES form will no longer be available for editing.

Please remember that ES forms can be read by anyone in OED, but can only be edited (and posted) by their author.

Please let me know if you have any problems. If you don't have the ICR Review database icon in your Lotus Notes desktop, **click here** ->

Alex McKenzie
The World Bank
Phone: (202)473-0479 Fax: (202)614-0297
amckenzie@worldbank.org

To: Oesstaff
     Robert Picciotto

Briefing Notes on the Bankwide ICR Process Review

These papers comprises drafts of the two models for a core accountability ICR (universal) and an intensive learning ICR (for around a third of the projects), and a calendar showing how we propose to proceed (all as attachments). The next paragraph is the proposal in a nutshell as discussed with the informal sub-committee of CODE on March 6. It was well received.

Current proposals for reform of the ICR process are to introduce an electronic core accountability ICR for all operations, which would be combined with a more intensive learning process for selected operations (a minimum of 30 percent of each region's exiting operations). The <u>core ICR</u> would satisfy accountability needs, provide database inputs, and some project-specific learning. It would be based on current guidelines (updated where needed, e.g. to include increased focus on development effectiveness) and integrating the document with the PCD/PAD/Form 590 electronic series (under SAP/R3). The <u>intensive learning model</u> would feature an in-country workshop to capture stakeholder views more substantially, and the participation of staff from outside the responsible VP unit. Also, OED might participate jointly in the intensive learning process, both to validate the process and provide an independent view of the project. Such participation would replace an audit for selected projects, but OED would continue to conduct independent audits where justified. Projects receiving intensive ICRs would be selected annually by the regions in consultation with the networks and OED. To be more timely, all ICRs would become due once projects were substantially completed, rather than as now waiting until the formality of closing occurs up to a year or more later. ICRs would become due, say, six months after a certain percentage of disbursements was reached, just as we understand UK/DFID uses 95 percent, Furthermore, the subgroup is exploring the suggestion that for repeater projects, that an ICR (possibly in draft where the current project was not substantially completed) would be a routine part of the appraisal package. It would be appropriate for synthesis and dissemination of lessons across ICRs to be funded under the KM budget.

Attachments (3)

4/2/98

Draft Core Accountability Model

The core accountability format has to be further refined to reflect recent comments from selected OED and regional staff. That revision will also accommodate the transition to the Logframe matrix which will be appearing in ICRs shortly.

WORKING DRAFT FORMAT for the CORE ICR (eventually on LN)

1. **Project Data:**   Date:

Name: Key Dates:
Country: PCD:
L/C Number: Appraisal:
Sector/subsector: Approval:

                                                                        Orig.   Revised

                                                        Effective:
Partners: MTR:
                                                        Closing:

Staff	Current	At Appraisal
Vice President		
Sector Manager		
Country Manager		
TTL		
ICR Primary Author		—

2. **Performance Ratings**[a]
Outcome:
Sustainability:
Institutional Development Impact:
Policy reform impact:
Bank Performance:
Borrower Performance:

	QAG (if available)	ICR
Quality at Entry:	[ ]	[ ]
Project at risk:		

(a) from pick lists - conformed to OED's list
(see OED's Lessons & Practices No. 10)

3. Ratings for Achievement of Objectives: [a]

Macro policies
Sector policies
Physical
Financial
Institutional
Environmental
Social
    Poverty reduction
    Gender
    Other (   )
Private Sector Development:
Public Sector Development: (a) from pick lists - conformed to OED's list
Other (   ):   (see OED's Lessons & Practices No. 10)

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4. Evaluation of Project Objectives, Components & Quality at Entry
4.1   Statement/Evaluation of Objectives
4.2   Components
4.3   Quality at Entry

---

5. Costs & Financing
5.1 Costs
5.2 Financing (including status of disbursements)

---

6. Evaluation of Outputs, Outcomes (cf. Development Indicators - Table 1) **and Development Effectiveness**
6.1 Outputs/results by major components
6.2 Outcomes by development objectives
6.3 Economic rate of return
6.4 Justification of ratings (Boxes 2 & 3)
6.5 Development Effectiveness (cf. sector and country development strategies)

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7. Major Factors Affecting Implementation and Outputs
7.1 Factors not subject to government or implementing agency control.
7.2 Factors generally subject to government control.
7.3 Factors generally subject to implementing agency control.

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8. Sustainability
8.1 Fiscal/financial viability (RFRR)
8.2 Operational Plan (include. schedule of follow-up activities and agreements)
8.3 Overall Evaluation (incl. contribution of follow-on project?)

9. **Bank and Borrower Performance**
<u>**Bank**</u>
9.1 ID/Preparation
9.2 Appraisal
9.3 Supervision
9.4 Overall (include. adherence to safeguard policies)
<u>**Borrower**</u>
9.5 ID/Preparation/Appraisal
9.6 Implementation (incl. non-compliance with main covenants, financial management and good
     governance)
9.7 Overall

10. **Lessons Learned**
10.1 Specific to the project
10.2 How addressed in Operational Plan?
10.3 Of wide applicability

11. **Partner Comments** (summarize main points, especially any differences of opinion, and indicate
    availability of original comments)
 (a) Borrower

 (b) Cofinanciers

 (c) Other (NGOs/Private Sector)

12. **Other** [a custom box which may be used for regional or sectoral content, or additional comments]

Annexes

1. Either: (a) For older projects—Key Development Indicators (Implementation and Operation), or (b) For newer projects—LogFrame matrix (Original and revised), or (c) Covenants matrix for SALs, etc.

2. Project Costs and Financing

3. Economic Costs and Benefits/Cost Effectiveness Indicators

4. Bank Resources: (a) Missions, and (b) Staff Inputs

5. List of supporting documents in ICR File (aide memoire of ICR mission, Operational Plan, RERR calculation, MTR, borrower ICR/comments, cofinancier comments, etc.)
   [A package comprising the aide memoire, the Operational Plan, and any comments received, is sent to OED when the ICR is finalized and posted.]

6. Currency equivalents, weights and measures, FY of borrower, abbreviations and acronyms

Notes (which will be reflected as needed in updated guidelines):

- once the ICR format is combined with the PCD/PAD/590 series, basic information will be provided automatically (inputted from the Form 590).
- Partners are the lead borrower agency or agencies, cofinanciers, NGOs and Others (e.g. private sector companies).
- Ratings comprise the "big five" and those that most contribute to the overall outcome rating. Note that "Policy reform" has been added to make it the "Big six." Quality at entry is also new, in response to suggestions by staff in OED. Performance Ratings would be from "pick lists."
- Box 4 refers to evaluating the soundness of the project design (not outcomes).
- Box 5 would be in US$ only.
- In Box 9, asking for lessons of "wide applicability" contrasts with current guidelines which ask for project-specific lessons only.
- Box 11 would summarize the main differences between the borrower/cofinancier and the Bank's ICR, with a cross reference to the documents on file.
- the "Other" box or custom box permits regions or sectors to customize a box to their own requirements, or for general comments not appropriate elsewhere.

Much of present ICR content can be captured in this simplified format, if the current excellent and detailed guidelines (as updated) are followed—but with the saving that the formatted electronic style will encourage brevity and bulleted entries, rather than well massaged prose. The final test of the format must await completion of the new PCD/PAD/590/ICR document system in late FY99. That format will be backed up with on-line help.

Notes for Testing the Core ICR Format
- as soon as projects for the pilot are identified, the TM should contact OCS/OED by e-mail (Biderman and Blackwood) giving the details.

- they will arrange to fill out the format with information that would normally be entered electronically, and place the form on the W drive.
- TMs should use the existing ICR guidelines on substance, but defer to OED's Lessons and Practices No. 10, *Evaluating Development Projects*, for guidance on the ratings (boxes 2 and 3). This is available on the W drive (icrproce\lp010.doc)
- Biderman and Blackwood will be available as a help line if required.
- TMs should keep a careful record of time spent filling out the new format.
- the overriding objective of this test is to see whether following this format is effective and efficient, and how long it takes. But in the absence of the final electronic form and process, a degree of flexibility and patience will be needed to see the test through successfully.

The Intensive Learning Model

The intensive learning model of ICR requires more thought and filling of gaps, including defining the role of OED. Ideas have been floated and will be refined further by the group. The following is the draft used for group discussions.

Given the more innovative and flexible renewed Bank, the emerging knowledge management system, and the new lending instruments, there is a higher premium than formerly on lesson learning from operations at all stages of the cycle. The new business processes (with their electronic capabilities), combined with greater openness, will make this process both more efficient and more beneficial to many interested parties The operational learning process is continuous for individual projects, but the ILM/ICR provides a major opportunity for stakeholder participation, and for synthesis and dissemination of lessons more broadly. The ILM report would be a record of the learning that has taken place throughout the project cycle, and of the findings of the completion workshop. It is more than just a listing of lessons identified after closing of the loan account, as is currently the case.

The ILM report includes the core accountability model, but it draws more intensively on wider stakeholder sources through a participatory in-country workshop and other means. All material additional to the accountability core would have a learning focus and be forward looking. The ILM is strongly process focused, aiming to capture the views of all participants and major interested parties. The intensive learning model includes the core ICR, and builds on the advantages of that model in being more timely (done in closing phase of project while main actors are still available). It is of greater utility since lessons can feed into later operations more expeditiously.

Following the example of McKinsey, operations would be chosen for intensive learning primarily on the basis of their potential to contribute lessons on development effectiveness, and for all stakeholders, not just the Bank. Although most mandatory criteria for selecting operations for an ILM triggered objections from group members, it was agreed that some guidance criteria would be helpful to the selection process, for example:

- innovative/pilot projects
- early projects using new instruments
- first in an intended series
- controversial projects (publicly or internally)
- projects with a new or returning borrower

Furthermore, the sector boards would be responsible for ensuring that other criteria guided regional selections from time to time, especially when there was an overriding institutional priority favoring certain projects for selection. A direct role for QAG in the selection process was suggested, but rejected noting that QAG is, in any case, a member of the Quality Board.

Agreements to Date on the Intensive Learning Model

- That the concept is sound and responds to the Bank's KM strategy.

- That ILMs would be funded mainly from savings from doing simplified core accountability ICRs.
- A minimum of 30 percent of exiting projects in a region should have ILMs.
- Operations for ILM would be chosen through a consultative process (regions, the networks and OED), with the approval of the borrower.
- As for core ICRs, ILMs would be initiated when projects were substantially implemented (probably measured by an undisbursed percentage, which is a hard figure unaffected by exchange rates).
- ILMs would include an in-country participatory workshop for all interested parties, and a beneficiary assessment (where practical).
- A plan for the operational phase of the project is discussed and agreed during the workshop (see more below).
- Participation/review is required by staff external to the region (chosen by the sector boards).
- An ILM report would be published electronically.
- The networks would annually synthesize lessons from ILMs, across sectors and regions, and OED would issue precise on selected ILMs or groups of ILMs.
- A role for OED in selected ILMs is considered advantageous (see below), but OED would still have the option of auditing as usual.

OED's Role in ILMs

Discussion in both the subgroup and amongst OED staff has favored the proposal that some ILMs might be joint operations between the regions and OED, so long as transparent OED validation of all ICRs continued. In such a joint ILM, OED would both validate the learning process and provide independent comment on the evaluation findings. Possibly this approach would allow OED's validation and audit functions to be achieved at lower cost, as well as much earlier, since ICR review and audit functions would be combined. Even so, OED would still retain the option of an independent audit in the usual way, where the need arose. Therefore, OED would not commit all its ICR/audit resources to a joint role in ILMs. This proposal is a revival of an earlier suggestion for joint ICR missions, made by MNA region, but which was not pursued by OED at that time.

Other Issues

(a) Operational Plan (applies to both models of ICR)

The discussion of the plan for operating the project is often deficient, according to OED evaluations of ICRs and as highlighted by OED's cohort reviews. Few ICRs contain genuine plans for operation of projects after loan closing dates. At best ICRs record that satisfactory plans exist, but at worst TMs in many cases have taken "plans for future operations" to mean follow-up projects (*1996 Evaluation Results and Issues*, OED). There has also been a tendency to ignore the operational plan requirement for unsatisfactory projects, whereas those projects may well be the ones most needing such plans. Plans are particularly important for projects where sustainability is threatened by policy issues.

It is agreed that something needs to done to resolve the present unsatisfactory situation. The suggestion that plans for the operational phase of a project should be allowed to lapse, recognizing the poor record in this respect, is unacceptable on sustainability grounds. The workshop for ILMs provides an opportunity to agree on an operational plan, but the plan would also be covered in core ICRs.

(b) New Lending Instruments (LILs and APLs)

For obvious reasons, monitoring and evaluation systems are included as vital parts of the designs of these interventions. However, less is said about how learning from these operations is to be synthesized and disseminated. Presumably for continuity reasons, the guidelines propose that ICR missions take place when operations are nearing completion. But beyond that, the special need for the results of these new types of operations to feed promptly into the Bank's KM system appears not to have been articulated. We need to pursue that thought further.

Some Other Questions:
- when are projects selected for ILM treatment (once a year during budget process)?
- how far to specify model and provide guidelines to the regions (differing views)?
- how to accomplish management and Board learning from ILMs (this was emphasized in report on harmonizing evaluation in MDBs)?

OED ID :

Type :

Country :

Project Description :

Sector :

Subsector :

Lending Instrument :

L/C :

Operations Evaluation Department
PROJECT INFORMATION FORM

Table of Contents

A2. Project Objectives Evaluation

1. Were the project objectives revised during implementation? ☐

    If Yes, did the Board approve the revised objectives as part of a formal restructuring? ☐

    Date of Board approval ☐

    Note: If objectives were revised, base the ratings in subsequent sections on the revised objectives.

2. Taking into account the country's level of development and the competence of the implementing agency, to what extent did the project design have the following characteristics:

    Demanding on Borrower / Implementing Agency ☐

    Complexity ☐

    Riskiness ☐

3. Did the project include a monitoring and evaluation system for the implementation phase? ☐

    If Yes, rate the extent to which the system met each of the following five criteria for a good M&E system:

    Clear project and component objectives verifiable by indicators ☐

    A structured set of indicators ☐

    Requirements for data collection and management ☐

    Institutional arrangements for capacity building ☐

    Feedback from M&E ☐

4. For this particular project, rate the importance of the project's objectives:

    Physical ☐

    Financial (interest rates; pricing / tariff policies; cost recovery) ☐

    Economic

    Macro-economic policies (fiscal; monetary; trade) ☐

    Sector policies ☐

    Institutional ☐

    Social ☐

    Environmental ☐

    Private sector development ☐

    Other (specify): ☐
    ☐

B1a. Outcomes — Relevance

1. Indicate the extent to which each of the project's objectives was relevant in terms of the Bank's / Borrower's current country or sectoral objectives:

Physical

Financial (interest rates; pricing / tariff policies; cost recovery

Economic

    Macro-economic policies (fiscal; monetary; trade)

    Sector policies

Institutional

Social

Environmental

Private sector development

Other (specify):

2. Summary Rating of Relevance

Rate the extent to which, as a whole, the project's goals were consistent with the Bank's strategies, taking account of the relevance and importance of each of the project's objectives:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

B1b. Outcomes — Efficacy

1. Indicate the extent to which each of the following objectives was in fact accomplished:

Physical

Financial (interest rates; pricing / tariff policies; cost recovery

Economic

    Macro-economic policies (fiscal; monetary; trade)

    Sector policies

Institutional

Social

Environmental

Private sector development

Other (specify):

2. Summary Rating of Efficacy

Rate the efficacy of the project, taking account of the importance of the objectives and the extent to which they were accomplished:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

B1b. Outcomes — Efficacy (cont'd)

3. Rate the extent to which each of the following factors affected the achievement of this project's objectives:

World markets / prices

Natural events

Cofinancier(s) performance

Performance of contractors / consultants

War / civil disturbance

Other (specify):

B1c. Outcomes — Efficiency

1. Is an **Economic Rate of Return** (ERR) available for this project?
   ○ Yes
   ○ No

   If No, is a **Financial Rate of Return** (FRR) available?
   ○ Yes
   ○ No

If a rate of return is available, provide the following information (in percent):

		Point Value		Range	Weighted Average	Coverage / Scope
At Appraisal	○ Not Available		From :			
	○ Not Applicable		To :			
At Completion	○ Not Available		From :			
	○ Not Applicable		To :			

2. Was another measure of efficiency provided?
   ○ Yes
   ○ No

   If Yes, then answer the following:

   Measure used

   Coverage / scope of measure

   Comparison to appraisal estimate

3. If no measure of efficiency was provided for this project, would it have been reasonable to expect one?
   ○ Yes
   ○ No

   If Yes, explain:

4. Rate the quality of the economic analysis according to the following criteria:

Soundness of analysis

Conduct of sensitivity / risk analysis

Consideration of institutional constraints to achieving results

Extent to which benefits accrue to target population

Consideration of environmental externalities

Consideration of fiscal impact

Consideration of alternatives to meeting objectives

Overall rating of quality of analysis

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

B1c. Outcomes — Efficiency (cont'd)

5. Summary Rating of Efficiency

Rate overall to what extent the project accomplished its goals efficiently:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

B1d. Outcomes — Summary

1. SUMMARY OUTCOME RATING

Rate the project's outcome (i.e., the extent to which it achieved relevant objectives), taking account of its relevance, efficacy, and efficiency:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

B2. Sustainability

1. Rate the extent to which each of the following conditions is expected to influence this project's sustainability :

Technical viability

Financial viability

Economic viability

Social conditions

Environmental concerns

Government commitment

Policy environment

Institution / management effectiveness

Local participation

Other (specify):

2. SUMMARY SUSTAINABILITY RATING

Rate the probability of maintaining the project's relevant development achievements generated or expected to be generated:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

B3. Institutional Development

1. Was this project directed primarily toward Institutional Development? ○ Yes ○ No

2. If not, did the project contain components with significant Institutional Development objectives? ○ Yes ○ No

3. Did the project's Institutional Development activities include each of the following:

   Establishment of a new organization [   ]

   Elimination of an existing organization [   ]

   Restructuring / privatizing of an organization [   ]

4. For this particular project, rate the relevance of the following Institutional Development objectives:

   National capacity
   Economic management [   ]
   Civil service reform [   ]
   Financial intermediation [   ]
   Legal / regulatory system [   ]
   Sectoral capacity [   ]
   Other (specify):
   [   ]   [   ]

   Agency capacity
   Planning / policy analysis [   ]
   Management [   ]
   Skills upgrading [   ]
   MIS [   ]
   Other (specify):
   [   ]   [   ]

   NGO Capacity [   ]

5. For this particular project, rate its efficacy in achieving the following Institutional Development objectives:

   National capacity
   Economic management [   ]
   Civil service reform [   ]
   Financial intermediation [   ]
   Legal / regulatory system [   ]
   Sectoral capacity [   ]
   Other (specify):
   [   ]   [   ]

   Agency capacity
   Planning / policy analysis [   ]
   Management [   ]
   Skills upgrading [   ]
   MIS [   ]
   Other (specify):
   [   ]   [   ]

   NGO Capacity [   ]

   Overall ID Efficacy [   ]

6. SUMMARY INSTITUTIONAL DEVELOPMENT IMPACT RATING

   Rate the extent to which, as a whole, the project resulted in improvement of the country's/sector's ability to effectively use its human, organizational, and financial resources: [   ]

   Average rating [   ]

   If your overall rating differs from the average rating, please comment on reasons for this difference:

   [   ]

C1. Bank Performance

1. To what extent did each of the following apply during project identification / preparation:

Involvement of government

Involvement of beneficiaries

Project consistency with
Bank strategy for country

Grounding in economic
and sector work (ESW)

Other (specify):

Overall rating on identification /
preparation

Average rating

If your overall rating differs from the average rating,
please comment on reasons for this difference:

2. Indicate the extent to which the Bank took account of the following during project appraisal:

Technical analysis (inc. alternatives)

Financial analysis (inc. funding
provisions, fiscal impact)

ERR/FRR cost-benefit analysis

Institutional capacity analysis

Social and stakeholder analysis

Environmental analysis

Risk assessment (inc. adequacy
of conditionalities)

Incorporation of M&E indicators

Incorporation of lessons learned

Readiness for implementation

Suitability of lending instrument

Overall rating on appraisal

Average rating

If your overall rating differs from the average rating, please
comment on reasons for this difference:

3. Considering the identification / preparation and appraisal processes discussed above,
    rate the overall quality of the project at the time of Board approval (Quality at Entry):

4. Indicate the extent of Bank project supervision in the following areas:

Reporting on project
implementation progress

Identification / assessment
of implementation problems

Use of performance indicators

Enforcement of Borrower
provision of M&E data

Advice to implementing agency

Enforcement of loan covenants /
exercise of remedies

Flexibility in suggesting /
approving modifications

Other (specify):

Overall rating on supervision

Average rating

If your overall rating differs from the average rating, please
comment on reasons for this difference:

C1. Bank Performance (cont'd)

5. SUMMARY RATING OF BANK PERFORMANCE

Rate the Bank's overall performance, taking account of identification / preparation, appraisal, and supervision activities:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

C2. Borrower Performance

1. Rate the Borrower / Implementing Agency performance on the preparation of this project:

2. Rate the extent to which government / implementing agency performance on the following dimensions supported project implementation:

Factors generally subject to government control

Macro policies / conditions

Sector policies / conditions

Government commitment

Appointment of key staff

Counterpart funding

Administrative procedures

Cost changes

Implementation delays

Other (specify):

Factors generally subject to implementing agency control

Management

Staffing

Cost changes

Implementation delays

Use of technical assistance

Beneficiary participation

Other (specify):

C2. Borrower Performance (cont'd)

3. Summary Rating of Borrower Performance on Project Implementation

Overall rating

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

4. Rate Borrower compliance with loan covenants / commitments:

5. SUMMARY RATING OF BORROWER PERFORMANCE

Overall rating

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

D. Special Themes

1. Indicate whether each of the following social concerns was a major project emphasis:

Gender related issues

Settlement / resettlement

Beneficiary participation

Community development

Skills development

Nutrition and food security

Health improvement

Other (specify):

2. Did the project have an unintended or unexpected effect on social concerns, regardless of the project's objectives?

If Yes, was the effect positive or negative?

3. Was this a Poverty Targeted Intervention? ◯ Yes ◯ No

Did the project place a major emphasis on poverty alleviation? ◯ Yes ◯ No

If Yes:

Did it emphasize broad-based growth with labor absorption? ◯ Yes ◯ No

Did it emphasize human development (education, health, or nutrition)? ◯ Yes ◯ No

Did it emphasize the provision of a social safety net? ◯ Yes ◯ No

4. Indicate whether each of the following environmental concerns was a major project emphasis:

Natural resource management

Air / water / soil quality

Urban environmental quality

Other (specify):

D. Special Themes (cont'd)

5. Did the project have an unintended or unexpected effect on environmental concerns, regardless of the project's objectives?

If Yes, was the effect positive or negative?

7. Rate the priority of the project for audit

8. Rate the priority of the project for impact evaluation

6. Indicate whether each of the following private sector development (PSD) concerns was a major project emphasis:

Improvement in legal or incentive framework designed to foster PSD (e.g., trade, pricing)

Restructuring / privatization of public enterprises

Financial sector development

Direct government financial and / or technical assistance to the private sector

Other (specify):

E. Rating of ICR

1. Rate the quality of the ICR by the following characteristics:

Analysis
Coverage of important subjects
Recalcualtion of ERR or FRR
Soundness of analysis
    Internal consistencies
    Evidence complete / convincing
Adequacy of lessons learned
Aide-memoire of the ICR mission

Future orientation
Plan for future project operation
Performance indicators for the project's operations phase
Plan for monitoring and evaluation of future operations

Borrower / cofinancier inputs
Borrower input to ICR
Borrower plan for future project operation
Borrower comments on ICR
Cofinancier comments on ICR

2. SUMMARY RATING OF ICR

Rate the quality of the ICR:

Average rating

If your overall rating differs from the average rating, please comment on reasons for this difference:

E. Rating of ICR (cont'd)

3. Rate the quality of borrower participation in the project completion process on the following:

Analysis	Satisfactory	Focus on lessons learned	Satisfactory
Concern with development impact	Unsatisfactory	Self-evaluation	Satisfactory
Internal consistency	Satisfactory	Evaluation of Bank	Satisfactory
Evidence to justify views	Satisfactory		

F. Summary of Ratings

1. SUMMARY OF RATINGS

	ICR	EVM
Outcome	Satisfactory	Satisfactory
Sustainability	Likely	Likely
Institutional Development efficacy / impact	Substantial	Substantial
Bank performance	Satisfactory	Satisfactory
Borrower performance	Satisfactory	Satisfactory
ICR quality		Satisfactory

2. Explain any differences between OED ratings and those in the ICR:

G. Overall Judgements / Miscellaneous Comments

1. Enter any overall judgements or rationales and miscellaneous comments below.

Anthony J. Blackwood on 04/01/98 03:13:20 PM

Extn: 31725   OEDST
Subject: Bankwide ICR Process Review - Meeting with IFC Operations Evaluation Group

I would greatly appreciate an **RSVP from those who plan to attend this meeting in IFC, by noon tomorrow Thursday,** so that we can decide on room size. Thanks.

--------------------- Forwarded by Anthony J. Blackwood/Person/World Bank on 04/01/98 03:04 PM

Roger H. Slade
03/25/98 11:56 AM

Extn: 81293   OEDST
To: Christopher Willoughby, Mansoora Rashid, Vincent J. Gouarne, Yves J. Albouy, Jerome F. Chevallier, David P. Hu
Subject: Bankwide ICR Process Review - Meeting with IFC Operations Evaluation Group

There will be a meeting on Friday, April 3rd. at 9.30 am, with Bill Stevenson of IFC's Operations Evaluation Group (OEG) (in IFC, Room 5K- 206). The purpose of the meeting is to learn from IFC how their system differs from ours, in particular with respect to dissemination and follow-up. It is important that we have some subgroup members from operations present, so that the implications for our reform proposals can be fully discussed. I hope that those subgroup members who are available will make every effort to attend. Please advise Julian Blackwood of whether you plan to attend.

To: Christopher Willoughby
      Mansoora Rashid
      Vincent J. Gouarne
      Yves J. Albouy
      Jerome F. Chevallier
      David P. Hughart
      Timothy J. Marchant
      Marisa Fernandez-Palacios
      Richard A. Cambridge
      Christopher D. Walker
      Jacomina P. De Regt
      Michel Simeon
      Nadereh Chamlou
      David R. Steeds
      Anna F. Roumani
      Kazuko Uchimura
      Oliver Rajakaruna
      David Gray
      Ann G. Clark
      Jaime M. Biderman
cc: Robert Picciotto
      William E. Stevenson/Hq/Ifc@Ifc
      Elizabeth Mcallister
      Katherine Sierra
      Roger H. Slade
      Geoffrey B. Fox
      Katherine Marshall
      Manuel Penalver-Quesada
      Gianni Brizzi
      Stephen J. Weissman
      Marc Blanc
      Zafer Ecevit
      Rene R. Ruivivar

Extn: 31725   OEDST
Subject: Bankwide ICR Process Review - Working Group

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CORE-ICR.DO

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was put together for the co-chairs of the Working Group. It was discussed this morning with Kathy Sierra.

Bankwide ICR Process Review
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To: Robert Picciotto
cc: Elizabeth Mcallister
     Roger H. Slade
     Jaime M. Biderman

Bankwide ICR Process Review

TRIAL FORMAT for the CORE ICR (eventually on LN)

---

1. **Project Data**:

Name:	Key Dates:
Country:	PCD:
L/C Number:	Appraisal:
Sector/subsector:	Approval:

	Orig.	Revised
Effective:		
Partners: MTR:		
Closing:		

Staff	Current	At Appraisal
Vice President		
Sector Manager		
Country Manager		
TTL		
ICR Primary Author		—

---

2. **Performance Ratings**[a]

Outcome:
Sustainability:
Institutional Development Impact:
Policy reform:
Bank Performance:
Borrower Performance:

	QAG (if available)	ICR
Quality at Entry:	[ ]	[ ]

Project at risk:

Achievement of objectives:
  Macro policies
  Sector policies
  Physical
  Financial
  Environmental
  Social
    Poverty reduction
    Gender
    Other (   )
Private Sector Development:
Public Sector Development:
Other

(a) from pick lists - conformed to OED's list

3. Evaluation of Project Objectives, Components & Quality at Entry
3.1   Statement/Evaluation of Objectives
3.2   Components
3.3   Quality at Entry

4. Costs & Financing
4.1 Costs
4.2 Financing (including status of disbursements)

5. Major Factors Affecting Implementation
5.1   Factors not subject to government or implementing agency control.
5.2   Factors generally subject to government control.
5.3   Factors generally subject to implementing agency control.

6. Evaluation of Results and Outcomes (cf. Development Indicators - Table 1)
6.1   Results by major components
6.2   Outcomes by development objectives

7. Sustainability
7.1   Economic/financial viability (RERR & RFRR)
7.2   Operational Plan (include. schedule of follow-up activities)
7.3   Overall Evaluation (include. contribution of follow-on project?)

8. Bank and Borrower Performance
Bank
8.1   ID/Preparation
8.2   Appraisal
8.3   Supervision
8.4   Overall
Borrower
8.5   ID/Preparation
8.6   Appraisal
8.7   Supervision
8.8   Overall

---

9. Lessons Learned
9.1   Specific to the project
9.2   How addressed in Operational Plan?
9.3   Of Wide Applicability

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10. Partner Comments
  (a) Borrower

  (b) Cofinanciers

  (c) Other (NGOs/Private Sector)

---

11. Other [custom box]

Annexes

1. Key Development Indicators (Implementation and Operation)
     (Original and revised)
2. Project Costs and Financing

3. Economic Costs and Benefits/Cost Effectiveness Indicators

4. Bank Resources: (a) Missions, and (b) Staff Inputs

5. List of supporting documents in ICR File (aide memoire of ICR mission, Operational Plan,
     RERR calculation, MTR, borrower ICR/Comments, cofinancier comments, etc.

Notes (which will be reflected as needed in updated guidelines):

- once the ICR format is combined with the PCD/PAD/590 series, basic information will be provided automatically (inputted from the Form 590).
- the final format could have more structure in the boxes as indicated by details in the guidelines.
- Partners are the lead borrower agency or agencies, cofinanciers, NGOs and Others (e.g. private sector companies).
- Ratings comprise the "big five" and those that most contribute to the overall outcome rating. Note that "Policy reform" has been added to make it the "Big six." Quality at entry is also new, in response to suggestions by staff in OED. Performance Ratings would be from "pick lists" and would be conformed with OED ratings. Main differences are how to assess restructured projects (against which objectives?); M&E system -- include. in guidelines under implementation (Box 6) or borrower performance (Box 8); importance and relevance of objectives (cover in guidelines - Box 3); efficiency of outcome; rating of Institutional Dev. Impact; and under Bank and Borrower performance, rate quality at entry and overall performance.
- Box 3 refers to evaluating the soundness of the project design (not outcomes).
- Box 4 would be in US$ only.
- Box 7 captures all the main sustainability factors in one place—and makes the link between sustainability and the RERR.
- In Box 8, asking for lessons of "wide applicability" contrasts with current guidelines which ask for project-specific lessons only.
- Box 10 would summarize the main differences between the borrower/cofinancier and the Bank's ICR, with a cross reference to the documents on file.
- Should there be a box for "Other Comments", to allow for some freedom of expression?
- the "Other" box or custom box permits regions to customize a box to their own requirements.

Note that much of present ICR content can be captured in this simplified format, if the current excellent and detailed guidelines (as modified) are followed—but with the saving that the formatted electronic style will encourage brevity and bulleted entries, rather than well massaged prose. The real test of such a format must await completion of the new PCD/PAD/590/ICR document system in late FY99.

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March 3, 1998 4:39 PM

Anthony J. Blackwood on 03/20/98 04:56:17 PM

Extn: 31725   OEDST
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Bankwide ICR Process Review

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Orig.   Revised

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Closing:

Staff	Current	At Appraisal
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Sector Manager		
Country Manager		
TTL		
ICR Primary Author		—

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    Gender
    Other (   )
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Public Sector Development: (a) from pick lists - conformed to OED's list
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8.5 ID/Preparation
8.6 Appraisal
8.7 Supervision
8.8 Overall

```
9. Lessons Learned
9.1   Specific to the project
9.2   How addressed in Operational Plan?
9.3   Of  Wide Applicability
```

```
10.  Partner Comments
  (a) Borrower


  (b) Cofinanciers


  (c) Other (NGOs/Private Sector)
```

```
11. Other [custom box]
```

Annexes

1. Key Development Indicators (Implementation and Operation)
   (Original and revised)
2. Project Costs and Financing

3. Economic Costs and Benefits/Cost Effectiveness Indicators

4. Bank Resources: (a) Missions, and (b) Staff Inputs

5. List of supporting documents in ICR File (aide memoire of ICR mission, Operational Plan, RERR calculation, MTR, borrower ICR/Comments, cofinancier comments, etc.

<u>Notes</u> (which will be reflected as needed in updated guidelines):

- once the ICR format is combined with the PCD/PAD/590 series, basic information will be provided automatically (inputted from the Form 590).
- the final format could have more structure in the boxes as indicated by details in the guidelines.
- Partners are the lead borrower agency or agencies, cofinanciers, NGOs and Others (e.g. private sector companies).
- Ratings comprise the "big five" and those that most contribute to the overall outcome rating. Note that "Policy reform" has been added to make it the "Big six." Quality at entry is also new, in response to suggestions by staff in OED. Performance Ratings would be from "pick lists" and would be conformed with OED ratings. Main differences are how to assess restructured projects (against which objectives?); M&E system -- include. in guidelines under implementation (Box 6) or borrower performance (Box 8); importance and relevance of objectives (cover in guidelines - Box 3); efficiency of outcome; rating of Institutional Dev. <u>Impact</u>; and under Bank and Borrower performance, rate quality at entry and overall performance.
- Box 3 refers to evaluating the soundness of the project design (not outcomes).
- Box 4 would be in US$ only.
- Box 7 captures all the main sustainability factors in one place—and makes the link between sustainability and the RERR.
- In Box 8, asking for lessons of "wide applicability" contrasts with current guidelines which ask for project-specific lessons only.
- Box 10 would summarize the main differences between the borrower/cofinancier and the Bank's ICR, with a cross reference to the documents on file.
- Should there be a box for "Other Comments", to allow for some freedom of expression?
- the "Other" box or custom box permits regions to customize a box to their own requirements.

Note that much of present ICR content can be captured in this simplified format, if the current excellent and detailed guidelines (as modified) are followed—but with the saving that the formatted electronic style will encourage brevity and bulleted entries, rather than well massaged prose. The real test of such a format must await completion of the new PCD/PAD/590/ICR document system in late FY99.

02/03/98 01:33 PM
Extn: 81293   OEDST
Subject: OED: ICR review Procedures

The following notes were prepared in consultation with several colleagues. I believe they are instructive and provide a good basis for moving ahead and making our new ICR review process work.

 The New ICR Form. The new electronic ICR evaluation summary form is now up and running. The form has been modified slightly from the original to reflect the comments received from the "guinea pigs" who bravely tested the prototype and from the staff meeting held January 22.   Thanks are due to those who tested the draft or made suggestions for change.

The new form is accessed through the icon on your Lotus Notes desktop. The "ICR Review Form" Notes database will appear on your screen when you click the *database link* at the foot of this paragraph. This action will also add an **"ICR Review Form"** icon to your Lotus Notes desktop, for future reference. (To keep your Notes desktop organized, Alex suggests you create an "OED" workspace page (menu option **Create/Workspace Page**, name it OED), and move the icon to it by clicking and dragging the icon to the new OED tab.   Workspace pages are accessed by clicking on the top colored tabs above the desktop's workspace.)

Here is the new ICR Review database ->

Guidance on completing the new form. Some guidance follows on completing the new form. Through experience this guidance can be improved. If you have suggestions for doing so, please inform Alex McKenzie or Chris Gibbs.

Please remember, the new form replaces two earlier OED documents: the Evaluative Memorandum and the Memo to the Director. When in doubt, recall those documents to ensure that the main points they addressed are covered, briefly and without duplication. Because the new form is short, its written content must be particularly clear. Rigor and clarity must not be sacrificed in favor of brevity and informality.

Question 1. Project data. These self-explanatory data identify the project and OED's reviewers. Until these data appear automatically they must be inserted manually.

Question 2. Project objectives, financing, and components. This box should summarize information usually contained in the three opening paragraphs of the former Evaluative Memorandum. This includes the loan/credit amount, approval year, cancellations, cofinancing, and authorship of the ICR; a statement of project objectives; and an outline of project components and their targets.

Question 3. Achievement of relevant objectives. This box should contain the evaluator's overall summary statement of results relative to the project's original (or revised) objectives and its main components.

Question 4. Significant achievements. This box should be used to highlight any significant project achievements relative to any point in the project cycle, the project design or the implementation processes.

Question 5. Significant shortcomings. This box should be used to highlight any significant project shortcomings relative to any point in the project cycle, the project design or the implementation processes.

Question 6. Ratings. This box summarizes the ICR's and OED's main performance ratings. Whenever an OED rating differs from an ICR rating, the reasons for the difference should be provided in the right hand column. You may also enter comments in the right hand column. Note that the Region's and OED use different terms for some ratings, (institutional development and borrower performance) and these differences can be explained in the right hand column when necessary.

Question 7. Lessons of broad applicability. Here the evaluator should insert lessons learned from the project which are considered to be of broad value to others outside the implementing department and to future projects, i.e. lessons which are not unique to the project under review.

Question 8. Audit recommended? The evaluator must choose to click on "yes" or "no". If an audit is recommended, a reason must be provided to back up the recommendation.

Question 9. Comments on quality of ICR. Here the evaluator states whether or not the ICR is of satisfactory quality and inserts comments on the strengths or weaknesses of the ICR. Previously, these comments were transmitted in the penultimate paragraph of the former Memo to the Director.

Item 10. Evaluator's comments. This space provides an opportunity for the evaluator to record additional comments about the ICR. Whatever text is entered in this space is retained for the evaluator's own use on the screen and cannot normally be forwarded or printed out.

Completed forms. Completed and reviewed forms will be forwarded to country directors by managers in OEDST and OEDCR in Lotus Notes attached to a simple cover memo. Where Lotus Notes is **not** available to recipients, the form and cover note will be sent to country directors by OED's managers by fax. The cover memo will simply state:

"Attached for your review is OED's Evaluation Summary for Credit/Loan ...... This form replaces OED's former Evaluative Summary and Memo to the Director. If you have any comments on OED's ratings, please send them to me by cob (a given date 5 working days hence).

Group Manager's Name
Title"

Specific guidance on transmittal procedures will follow.

Note. For those evaluators who have already completed the prototype form (Alice, Antti, Josette, Ron, Tauno, and Will), their forms will be automatically adjusted to reflect the changes made between the prototype and the final version of the form - with two exceptions: quality at entry and where ICR and OED terms vary in the section on ratings. If the "guinea pigs" want to say something narrative about quality at entry you will need to reopen the form and enter your comment under questions 4, or 5 (significant achievements or shortcomings), or Bank or borrower performance in question 6 (ratings), as appropriate. The "guinea pigs" will also have to check the terms used in question 6 to ensure that they conform with the language used in ICRs.

To: Oesstaff

OED ICR Review - Evaluation Summary
Operations Evaluation Department

Date Created: 02/02/98 01:54:32 PM
Status: Open

1. Project Data:

OEDID:	C1996
Project Name:	Private Small and Medium Enterprise Development Project
Country:	Ghana
Sector:	Other Finance
L/C Number:	C1996
Partners involved:	None
Prepared by:	Alice Galenson, OEDCR
Reviewed by:	
Group Manager:	Rene Vandendries

2. Project Objectives, Financing, Costs and Components:

Objectives: facilitate a supply response and generate employment through (a) financing private productive activities, (b) improving the viability and competitiveness of private SMEs, (c) fostering participation by banks in long-term financing for SMEs, (d) assistance to micro-enterprises, (e) technical assistance for SSEs and women entrepreneurs, and (f) improving the policy and institutional support framework for SME development. Total project cost US$57.4 million ($30 million from IDA), of which US$50.5 million for a line of credit, $3.1 million for equipment leasing, $3.3 million for TA, and $0.5 million unallocated.

3. Achievement of Relevant Objectives:

Objectives were partially achieved: (a) financial assistance and TA were provided to a diverse group of SMEs with respect to size, sector and location; (b) an apex unit was established at the Bank of Ghana, providing a mechanism to foster participation by banks and leasing companies; (c) advisory services and training to small and micro enterprises and women entrepreneurs provided them with tools to increase productive activities.

4. Significant Achievements:

5. Significant Shortcomings:

(a) High default rates on sub-loans, (b) mutualist credit guarantee scheme not implemented, (c) very littlel financial assistance to micro-enterprises; and (d) TA was limited by cancellation (e.g. pilot studies fund) and postponement of some components, due in part to the failure to obtain cofinancing.

6. Ratings:

	ICR	OED Review	Reason for Disagreement/Comments
Outcome:	Unsatisfactory	Unsatisfactory	
I.D. Impact[1]:	Modest	Modest	
Sustainability:	Uncertain	Unlikely	Given the high default rates and lack of other term resource mobilization by the PFIs, lending to SMEs is unlikely to be sustained.
Bank Performance:	Unsatisfactory	Unsatisfactory	
Borrower Perf.:	Unsatisfactory	Unsatisfactory	

1

Quality of ICR:		Satisfactory	

Note 1: In the ICR, this rating refers to the achievement of explicit Institutional Development objectives.

7. Lessons of Broad Applicability:

(a) Capacity building in the financial sector is more likely to succeed in the presence of macroeconomic stability, a disciplined financila system, and a business environment conducive to private investment. (b) The development of equity financing instruments for SMEs may be more important than credit because they provide access to technical know-how, bridge the information gap between emerging entrepreneurs and the banking system, and promote the develoment of capital markets.

8. Audit Recommended? ◯ Yes ● No

9. Comments on Quality of ICR:

The quality of the ICR is satisfactory; it provides a clear and frank assessment of the project, and includes a discussion of the future operation of the institutions and a contribution by the borrower.

From: Christopher J. N. Gibbs on 01/16/98 11:21 AM
Extn: 31735   OEDST
Subject: New Evaluation Summary Form for IDR Reviews

1.   A new computer-based OED Evaluation Summary (ES) form has been developed as part of the revised ICR review process. The new form was described in Annex C of the instructions for the new ICR review process circulated by OED's Director on October 29, 1997.

2.   The new form replaces the former Evaluative Memorandum and the Memo to the Director. Evaluators will complete the forms based on their ICR review findings. Completed forms will be reviewed by the ICR Review Panel and, under an appropriate cover note, approved forms will be sent by Group Managers to Country Directors.

3.   The form you will see shortly and begin to work with is a draft. It needs to be tested and demonstrated before being generally applied. A number of OED staff working on ICR reviews now will be asked to test drive the form immediately. A demonstration of the form will also be provided to all interested staff on **January 22 at 3:00 p.m. in G7-161.** If you undertake ICR reviews you will benefit from the demonstration.

4.   The ES form uses Lotus Notes software. All the operations you are familiar with in Notes apply to the form. Those of you who have not made the switch to Notes are strongly encouraged to do so. If you do not have Notes, you will have to draft your forms in other ways and have the form completed by a staff assistant who works in Notes. But this can only be a temporary expedient.

5.   This form has 10 fields to be completed. They follow closely the logic of the former evaluative memorandum. The fields include:

- basic project data, to identify the project and the reviewer;
- a summary of project goals, objectives, costs and components;
- an assessment of quality at entry, including a statement of "why" if it is unsatisfactory;
- a summary of the achievement of relevant goals;
- a statement of significant project achievements;
- a statement of significant project shortcomings;
- OED's key performance ratings (including ICR quality) and the reason for any difference between OED's and the ICR's ratings;
- lessons learned from the project of broad applicability;
- whether or not an audit is recommended, and the reason why if an audit is recommended; and
- comments on the quality of the ICR, strengths, shortcomings and scope for improvement.

6.   While the new form is being tested and debugged, software will be written to expedite the flow of ICR reviews and track ES forms, i.e. to enable OED to move the form electronically from desk to desk through the review process and to track its progress. This software will be introduced later. Until that software is ready, however, completed forms will be moved the old fashioned way, as paper copies from one person to another.

7.   While we realize that the form will require fine-tuning, thanks are due to Alex McKenzie for bringing us this far.

Christopher J. N. Gibbs
Operations Evaluation Department
The World Bank, 1818 H Street N.W., Washington 20433

Room G7-029
Phone 473-1735
Fax 522-3123
Email cgibbs@worldbank.org

To: Oesstaff

G7-121

Jan 27 '98

→ EMcA/RS

I'd like to know how you see OED involvement in the new lending products — this might also be treated in the ICR _task force context._

R98-1[PAD]

FROM: The Secretary

January 6, 1998

MEXICO - Rural Development in Marginal Areas Project

Project Appraisal Document

Attached is the Project Appraisal Document (17263-ME) regarding a proposed loan to Nacional Financiera, S.N.C. with the Guarantee of the United Mexican States for a Rural Development in Marginal Areas Project (R98-1). This project will be discussed at a meeting of the Executive Directors to be held on Tuesday, January 27, 1998.

1/28
OTS

Distribution:

Executive Directors and Alternates
President
Bank Group Senior Management
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, IFC and MIGA

Extn: 34380   OEDDR
Subject: Re: ICR Process Working Group 📄

The EDP course includes a case on Mckinsey consulting. It was clear that the firm's experience has influenced the Bank's renewal activities. The key success factor of Mckinsey was their appreciation for learning and recording learning. Clients were "chosen' on the basis of what could be learned in the experience of providing them with consulting services and after each major file was completed an electronic report (on their "Pnet") was done for the entire firm. The case spurred much discussion at the course and participants asked for a special session with the HBS prof to discuss the case and knowledge management in the Bank.

The ICR was never mentioned by participants as a parallel exercise to the Pnet that already exists within the Bank. When I raised this and spoke of our desire to have the ICR "renewed" to be such a tool, Caio agreed and told the "assembly" that he had signed off on the announcement that day about the ICR working group.

All to say that I would like to use the Mckinsey example as guidance on how the ICR could serve as one of the backbones for our and the Bank's KM strategy. To advance this idea, it would be helpful to have someone from the course who was active in this session on our team. Lynne Tyler was active and their was another woman from FIPSI, an economist who had lots of good ideas. Let me know when you have narrowed the categories of who we need and I will see if we can fit from the course.

Per has my copy of the Mckinsey case. You might want to read it.

Elizabeth
Anthony J. Blackwood on 01/06/98 08:13:45 AM

Anthony J. Blackwood on 01/06/98 08:13:45 AM

Extn: 31725   OEDST
To: Jaime M. Biderman cc: Roger H. Slade, Elizabeth McAllister, Katherine Sierra
Subject: Re: ICR Process Working Group

Re this reaction from Kathy, it occurs to me that we should take more time to review the list of acceptees for both skills and coverage of important stakeholders. If necessary, let's try and get any serious holes filled by tomorrow's meeting. I should have a chance to get Roger's views shortly.
--------------------- Forwarded by Anthony J. Blackwood/Person/World Bank on 01/06/98 08:06 AM

▶ **Katherine Sierra**
   01/05/98 03:20 PM
   • • • • • • • • • • • • • • •
Extn: 36795   OCSHD
To: Anthony J. Blackwood cc: Roger H. Slade, Elizabeth McAllister, Jaime M. Biderman
Subject: Re: ICR Process Working Group 📄

     I beleive that Adams said yes. today I saw a note from Gelb saying no.

Why don't you and Jaime take a look at the balance, and let us know what kinds of skills we are missing... we can then expand our invite list if needed.

To: Anthony J. Blackwood
cc: Per Oyvind Bastoe
      Roger H. Slade
      Katherine Sierra
      Jaime M. Biderman
      Patrick G. Grasso
      Robert Picciotto

Extn: 31725   OEDST
Subject: Bankwide ICR Process Review - Re "Simplified Form of ICRs" (see footnote 3 of BP 13.55, or
         footnote 2, #2 of current 13.55, Good Practices)

The ICR guidelines under Best Practices provided for a simplified ICR, as follows:

> "However, a simplified form of ICR is adopted for selected projects that (a) have no important new lessons t
> make a significant impact on their own, or (c) are part of a series of projects that together warrant a full IC
> limited to a critical assessment of supervision reports, correspondence between the Bank and the borrower,
> the Bank. Within its limitations, the simplified ICR should attempt to answer the key questions that a full IC
> simply a status report on implementation". (This was copied from Good Practices on-line, footnote 2, item
> the earlier Best Practices footnote in the paper copy.)

I would appreciate your help on two points:

   (i) The name(s) of any operation(s) for which you have seen such a "simplified form of ICR" (not to be
for cancelled operations).

   (ii) Insights, if any, into why the regions have not (or little) used this provision.

Many thanks.

To: Oesstaff
cc: Roger H. Slade

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: December 20, 1997 01:35pm

  TO: See Distribution Below

FROM: Roger Slade, OEDST   (ROGER SLADE@A1@WBHQB)

EXT.: 81293

SUBJECT: <u>Treatment of Co-Financing in ICRs</u>

        Many Bank financed projects involve external sources of
financing. This can range from different financiers funding
different components (or disbursement categories) of a single
integrated operation, through looser parallel financing of
different discrete, but related, components, to arrangements in
which the project is little more than a loose umbrella within
which different activities proceed under different sponsorship.
Similarly the degree of collaboration during project
implementation between different external financing parties
varies widely, and is not necessarily closely related to the
degree of contact implied in the project design.

        As a matter of procedure, ICRs should be sent to
cofinanciers for comment. This is by no means generally done.
Where it is cofinanciers often fail to offer commnts. Given the
increased emphasis at present on aid coordination and
partnerships, we should, in reviewing ICRs and in carrying out
audits be cognizant of the role of cofinanciers. In particular,
we should take note of cases where collaboration was particularly
close or, conversely, where it appears to have been almost
non-existent, so that we can begin to build up a picture of the
effectiveness of the Bank in this area.

<u>DISTRIBUTION:</u>
  TO: ADALA BRUCE-KONUAH   (ADALA BRUCE-KONUAH@A1@WBHQB)
  TO: ALAIN BARBU   (ALAIN BARBU@A1@WBWASH)
  TO: ALCIRA KREIMER   (ALCIRA KREIMER@A1@WBWASH)
  TO: ALISON EVANS   (AEVANS@WORLDBANK.ORG@INTERNET)
  TO: ANTTI TALVITIE   (ATALVITIE@WORLDBANK.ORG@INTERNET)
  TO: ARTHUR ANGER   (ARTHUR ANGER@A1@WBWASH)
  TO: BEN REJA   (BREJA@WORLDBANK.ORG@INTERNET)
  TO: BENJAMIN CROW   (BCROW@WORLDBANK.ORG@INTERNET)
  TO: CHRISTOPHER GIBBS   (CGIBBS@WorldBank.org@INTERNET)
  TO: CONSTANCE FRYE   (CFRYE@WorldBank.org@INTERNET)
  TO: EDITH KOTEI   (EDITH KOTEI@A1@WBWASH)
  TO: EDWARD RICE   (EDWARD RICE@A1@WBWASH)
  TO: GARY WU   (GARY WU@A1@WBWASH)
  TO: HELEN ABADZI   (HELEN ABADZI@A1@WBHQB)

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: December 20, 1997

TO: Robert Picciotto, DGO, Elizabeth McAllister, Director OED.

FROM: Roger Slade, Manager, OEDST

EXTENSION: 81293

SUBJECT: **Effects of fast turn round on ICR Reviews**

1.   The elimination of the ICR backlog at the end of FY97 resulted in OED receiving an unusually large number of ICRsat the end of FY97 and early in FY98. At the same time, the basis for analysis of the evaluation of portfolio results for the 1997 ARDE was changed to fiscal year of exit. Thus we decided to process the backlog ICRs as fast as possible so as to provide the data on time for the analyses. In addition to accelerated review of ICRs within OED, some reviews were outsourced to ITAD and a few to other selected individual consultants, mostly former staff familiar with OED. These changes in process naturally give rise to a question. Was the quality of the ICR reviews affected?

2.   To answer this question, statistical tests on the five major ratings for FY96 and FY97 project exits were carried out to determine if overall there are significant differences in the ratings between the group of rush-ICRs (Rush, N=162) and the group of non-rush ICRs (Non-Rush, N=159). And, within the rush group, whether there are significant differences in average ratings between the non-OED evaluators, or ITAD group (Rush-ITAD, N=46), and OED evaluators (Rush-NonITAD, N =109).

3.   The attached table shows the average ratings by group, and the results of t-tests (at the 95% confidence level) on the average ratings for the different groups. **The results show that there are no statistically significant differences in the average ratings between the Rush and Non-Rush group and, within the rush group, no significant differences in the average ratings between the OED evaluator and the ITAD groups.** Alternatively stated, there is is a 1 in 20 chance that the 'no difference' conclusion is wrong. Thus these results strongly suggest that the ICR reviews done in a rush or those done by non-OED evaluators had little or no impact on the aggregate quality and consistency of the five major ratings for the FY96 and FY97 project exits.

cc: Vandendries, Liebenthal, Morra, Albouy, Evans, Battaille.

Average ratings between Rush and Non-Rush and between Rush-ITAD and RushITAD

Rating	Rush Mean	Non-Rush Mean	Rush-ITAD Mean	Rush-NonITAD Mean
Outcome (% sat.)	70	75	72	70
Sustainability (% likely)	46	53	46	47
ID impact (% substantial)	39	38	33	42
Bank performance (% sat.)	74	78	78	72
Borrower performance (% sat.)	68	72	69	67

T-statistics and P-values for Rush vs. Non-Rush, and Rush-ITAD vs. Rush-NonITAD groups

Rating	Rush vs. Non-Rush t statistics	P value	Rush-ITAD vs. Rush-NonITAD t statistics	P value
Outcome	1.02	0.31	0.25	0.80
Sustainability	1.07	0.28	-0.13	0.90
ID impact	-0.32	0.75	-1.14	0.26
Bank performance	0.82	0.41	0.70	0.49
Borrower performance	0.80	0.43	0.23	0.82

Note: T-tests (assumed unequal variance) were performed at 0.05 significance level.

None of the t-values large than critical t-value of 2.0 to reject the null hypothesis.

A L L - I N - 1   N O T E

DATE: 19-Dec-1997 09:50am

  TO: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)

FROM: Roger H. Slade,   (Rslade@worldbank.org@INTERNET)

EXT.:

SUBJECT: ICR Working Group

   Re your request through Rosa-Maria, those listed below are being
invited to join the Working Group. Those marked with an asterisk are
expected to form a sub-group that will do most of the basic work. The list
was drawn upby Elzabeth and Kathy in consultation with Jaime Biderman and
m lf. Informal contacts have been made to check on availabilty and
i. erest. IFC has not been included, but learning from their approach to
completion reporting will be one of the team's first tasks. We are hoping
to hold the first meeting of the inner group on January 7, followed by the
first meeting of the full Working Group on January 27. By that time the
OED discussion note will have been developed further and circulated as the
main input for the meeting. Jaime Biderman and Julian have already started
that work.

   srs./Mesdames: J. Adams (AFCO4), G. Fox (EASRD), A. Pellegrini
(TWUDR), D. Steeds (RDV)*, C. Walker (MDOQA)*, V. Gouarne (TWUWS)*, M.
Rashid (ECSHD)*, U. Zachau (MDOPS), A. Gelb (AFTMI), T. Marchant (AFTKT)*,
K. Uchimura (SARRI)* C. Willoughby (ECSIN), G. Brizzi (MNAVP), Nagy Hanna
(SRMSG)*, H. Kharas (PRMEP), J. Biderman (OCSOS)*, R. Slade (OEDST)*

CC: Anthony J. Blackwood   (Ablackwood@worldbank.org@INTERNET)

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: December 16, 1997

TO: Managing Directors and Vice Presidents

FROM:for   Caio Koch-Weser, Managing Director, MDOMD; Robert Picciotto, DGO

EXTENSION: 35250, 84569

SUBJECT.   **ICR Process--Bankwide Working Group**

In a results-based institution, thorough self-evaluation of our lending operations is vital to improving the Bank's development effectiveness. To this end, a Bankwide working group (comprising Regional, Network, OPS, QAG and OED staff) is being established to identify and demonstrate ways and means of making the ICR process more efficient, effective and timely. Terms of reference are attached. Elizabeth McAllister and Katherine Sierra will jointly chair the group. Close coordination will be maintained with the informal subcommittee of the Board's Committee on Development Effectiveness (CODE), which will forge active links with the group's work. The Working Group will report to the OVPs by the end of March, 1998. We aim to introduce any changes to the system by the beginning of FY99.

The group will comprise a broad spectrum of experienced staff, and they, together with any other staff who may be called upon to assist the work, are urged to give the task the time and energy it deserves. This is an opportunity to bring self-evaluation into the mainstream of the lending cycle, where it belongs, and to make the ICR process more useful to all concerned. In due course, the outcome of the work may be of value to the completion reporting of non-lending activities.

Attachment

cc: Messrs./Mmes.   Wolfensohn (EXC), Legg (EDS09), Wood (DEU), McAllister (OEDDR), Sierra (OCSHD)

BANKWIDE COMPLETION REPORT WORKING GROUP
Terms of Reference

Completion reporting practices need to be reconsidered to enhance the contribution of ICRs to the Bank's development effectiveness. To this end, a Bankwide working group (comprising Regional, Network, OPS, OAG and OED staff) will be assembled to identify and demonstrate ways and means of making ICR process more efficient, effective and timely, in a broadly budget neutral way.

The objectives of ICRs (as outlined in OP/BP/GP 13.55) remain valid: accountability reporting is essential for fiduciary purposes; lessons of operational experience are needed for organizational learning; and post-completion operations plans, owned by borrowers, are to be actively supported by the Bank whenever this is likely to contribute meaningfully to the enhanced sustainability and ultimate impact of a lending operation.

To encourage more effective use of ICRs, the working group will:

1. examine the feasibility of differentiating between projects with respect to the learning and "future operations planning" dimensions of completion reports.
2. develop screening mechanisms, built into the supervision process, geared to the preparation of cost effective and targeted completion reports, tailored to the circumstances of individual projects.
3. propose new ICR processing practices and institution wide standards of assessment aimed at achieving reduced elapsed times; improved quality; full borrower and cofinancer involvement and effective linkages with knowledge management and organizational learning.

The working group will carry out simulations and "live experiments" (with the participation of Regional and Network staff) so as to build "ownership" and demonstrate the feasibility of a new approach. The group will also identify the actions to be taken by the Regions and the Networks so that a new Bankwide ICR system is up and running by the beginning of FY99.

The proposals of the group should be reviewed for workability by the SOAs and submitted to the OVPs for consideration by end March 1998.

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: December 16, 1997

TO: Managing Directors and Vice Presidents

FROM: Caio Koch-Weser, Managing Director, MDOMD; Robert Picciotto, DGO

EXTENSION: 35250, 84569

SUBJECT: **ICR Process--Bankwide Working Group**

In a results-based institution, thorough self-evaluation of our lending operations is vital to improving the Bank's development effectiveness. To this end, a Bankwide working group (comprising Regional, Network, OPS, QAG and OED staff) is being established to identify and demonstrate ways and means of making the ICR process more efficient, effective and timely. Terms of reference are attached. Elizabeth McAllister and Katherine Sierra will jointly chair the group. Close coordination will be maintained with the informal subcommittee of the Board's Committee on Development Effectiveness (CODE), which will forge active links with the group's work. The Working Group will report to the OVPs by the end of March, 1998. We aim to introduce any changes to the system by the beginning of FY99.

The group will comprise a broad spectrum of experienced staff, and they, together with any other staff who may be called upon to assist the work, are urged to give the task the time and energy it deserves. This is an opportunity to bring self-evaluation into the mainstream of the lending cycle, where it belongs, and to make the ICR process more useful to all concerned. In due course, the outcome of the work may be of value to the completion reporting of non-lending activities.

Attachment

cc: Messrs./Mmes. Wolfensohn (EXC), Legg (EDS09), Wood (DEU), McAllister (OEDDR), Sierra (OCSHD)

BANKWIDE COMPLETION REPORT WORKING GROUP
Terms of Reference

Completion reporting practices need to be reconsidered to enhance the contribution of ICRs to the Bank's development effectiveness. To this end, a Bankwide working group (comprising Regional, Network, OPS, OAG and OED staff) will be assembled to identify and demonstrate ways and means of making ICR process more efficient, effective and timely, in a broadly budget neutral way.

The objectives of ICRs (as outlined in OP/BP/GP 13.55) remain valid: accountability reporting is essential for fiduciary purposes; lessons of operational experience are needed for organizational learning: and post-completion operations plans, owned by borrowers, are to be actively supported by the Bank whenever this is likely to contribute meaningfully to the enhanced sustainability and ultimate impact of a lending operation.

To encourage more effective use of ICRs, the working group will:

1. examine the feasibility of differentiating between projects with respect to the learning and "future operations planning" dimensions of completion reports.
2. develop screening mechanisms, built into the supervision process, geared to the preparation of cost effective and targeted completion reports, tailored to the circumstances of individual projects.
3. propose new ICR processing practices and institution wide standards of assessment aimed at achieving reduced elapsed times; improved quality; full borrower and cofinancer involvement and effective linkages with knowledge management and organizational learning.

The working group will carry out simulations and "live experiments" (with the participation of Regional and Network staff) so as to build "ownership" and demonstrate the feasibility of a new approach. The group will also identify the actions to be taken by the Regions and the Networks so that a new Bankwide ICR system is up and running by the beginning of FY99.

The proposals of the group should be reviewed for workability by the SOAs and submitted to the OVPs for consideration by end March 1998.

A L L - I N - 1   N O T E

SUBJECT: <u>Discussion Note for the Bankwide ICR Process Review</u>

As you requested, attached is a draft note on the ICR process. It was
prepared to help crystallize our thinking prior to working with the ICR
Task Force.   I believe we should discuss this before this friday's meeting
w   Ms Sierra. Subsequently, and unless you think otherwise, I believe
th.. we should forward the attached note to members of the task force.

     Julian Blackwood took the lead on this work, with a small team of
Richard Berney and Gianni Zanini. Other OED staff contributed by e-mail
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ideas therefore reflect a broad range of OED staff opinion, but have not
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1 . April, a small group of operational staff were supportive of the idea
that ICRs should be brought forward and be done when implementation was
substantially complete, rather than later after closing dates.

     The discussions on the ICR process and Alain Barbu's work on the PIF
have also touched on issues arising out of the proposal to "export the PIF"
to the Regions for completion as part of the ICR exercise. It was thought
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s   ngs for OED. One proviso was that the integrity of OED's database
would have to be protected by OED review of a sample of ICRs, giving a
further cost saving. Exporting the PIF would not be wise if the database
was not validated in such a way. Three major issues now suggest that the
export idea should be reconsidered:

     (i) The sample needed for such a diverse set of operations, with small
subsets, is so complex that it is doubtful whether protecting the database
by sampling ICRs is a practical option. Whereas cost-effective sampling
could provide an independent check on the portfolio ratings in aggregate,
it is unlikely that sampling could protect the integrity of subsets at the
sectoral and country level. Thus the validity of OED's independent
database would be lost below the aggregate level. This is too high a price
to pay for the modest cost savings that sampling would allow.

     (ii) Persuading hard pressed operational staff to adopt and use the
PIF, especially at this time, would be difficult, and could give the
i `ession that OED is merely trying to transfer some of its routine
wo..kload to others. It is hard to imagine an argument that would convince
operations that filling out the PIFis in their best interests, even as a
useful tool to help secure a consistent approach to the preparation of
ICRs.

(iii)   There could be an unmanageable number of disagreements with the Regions if OED had to validate the many judgements in the PIF, rather than just the five main ratings as at present.

Thus the idea of exporting the PIF should be shelved for now, together with the proposed sampling of ICRs. Even so, one of the objectives of OED's participation in the ICR process review should be to push for harmonizing the principal ratings in the ICR with OED's PIF-based ratings so that existing differences are removed. To that end OED's PIF guidance notes on the principal ratings should be given to operations once review and amendment of the PIF has been completed later this month.

A   chment

<div align="right">Attachment</div>

<div align="center">
ICR Process Review
An OED Discussion Note
(Draft TOR for the review are at Annex 1)
</div>

Introduction

1.   This note deals with some identified shortcomings in the current ICR process, but also emphasises the need to reinvigorate self-evaluation by the borrower and the Bank. The note has benefited from inputs from a large number of OED staff who are familiar with the ICR process both in the r   ons and more recently through their work in OED. A recommendation of the 1996 review of the multi-lateral development banks was that evaluation standards should be harmonised (DC/96-01). There are obvious connections with the current review of the Bank's ICR process, which are discussed further at the end of this note.

2.   Consistent with the findings of the ELG in 1996, the main objective of the review should be to change incentives for self-evaluation so that the process takes a more significant and effective place in the lesson learning loop of the operations cycle, while at the same time dealing with any current shortcomings. In a results oriented Bank, the ICR process acquires even greater importance. Having an effective early learning feedback loop is central to the introduction of new instruments such as adjustable lending. One possibility is that there could be differential treatment of operations according to some agreed criteria applied ex-ante. Such an approach could provide opportunities for improving lesson learning from selected operations, with greater participation by stakeholders. A r   wed ICR process should bring it into the mainstream of the project cy _e and thereby provide improved incentives for self-evaluation. Meaningful self-evaluation and lesson learning would include an evaluation plan in the PAD, regional VP reviews of draft ICRs, and Board review of selected ICRs.

3.   Even so, some aspects of the process should not change, especially the principal of universal coverage of all the Bank's operations, including new instruments and non-lending services. Universal coverage is needed for the following reasons:

> for accountability (i.e. closure on IBRD Article 5-b, use of funds and "economy and efficiency")
> for transparency (public disclosure)
> for lesson learning (more critical as process changes are introduced)
> for self-evaluation (borrower and Bank)
> for aggregate performance reviews (subsector, sector and country, portfolio and processes)
> as key part of the 100% post-evaluation system (for which the Bank is much admired)
> as part of the scorecard of the "results oriented" Bank culture (Strategic Compact)

Concerns

4.   Changes are needed to address some widespread concerns about the utility and cost-effectiveness of the ICR   process, including:

(i) lesson learning and application is delayed and patchy (especially :or repeater projects), particularly because there is no routine aggregation of lessons and dissemination by management is weak;

(ii) self-evaluation and the learning process is diluted because of the use by the regions of specialist authors, temporary staff, consultants, FAO/CP, and the absence from the process of earlier TMs and managers (e.g. at entry);

 iii) accountability is poorly served by the ICR process because there is little board or management follow-up;

(iv) questionable objectivity of self-evaluation in some cases;

(v) there is inadequate and mostly ad hoc involvement of partners/stakeholders (incl. borrowers and cofinanciers);

(vi) the ICR process is not yet valued as a learning tool - many ICRs are largely pro forma;

(vii) ICR content is frequently repetitive (e.g. 5 page summary, 10 page main text, and 5 page aide memoire - all saying much the same thing).

But any modification of the process should not undermine universality of coverage (the seven bullets above).

    Options for Change

    5.   Mainstreaming the Self-evaluation, Lesson Learning and Results Culture:

(i) introduce self-evaluation plan in PAD, and track data gathering and performance against indicators through SPN/590 process;

(ii) introduce explicit lesson learning much earlier by extracting lessons from (new) self-evaluation section of Form 590, with periodic portfolio-wide review of lessons and their aggregation into actionable recommendations;

(iii) introduce routine ICR reviews by regional VPs with the outcome, in a standardised format, communicated to stakeholders and attached to the final ICR;

(iv) introduce board review of selected ICRs, grouped by themes, sectors and sub-sectors (attended by key involved staff), and board to make

formal recommendations to management accordingly

(v) make ICRs available on Imagebank (now with unproofed OCR texts, with full text search capability in a few months).

6. Differentiate between operations (for different intensities of ICR coverage - see Annex 2 for draft selection criteria):

(a) establish objective guidelines for differential treatment, concentrating increased efforts on those operations with exceptionally good or bad performance, and on those which are innovative and have useful lessons;

b) tailor guidelines towards differentiated projects (although current guidelines are not restrictive in this respect).

Timeliness

(a) bring forward ICR process (ICRs would become due 6 months after substantial completion, defined as 90% disbursement)

(b) in special cases, e.g. post conflict situations, the ICR process should be accelerated and compressed as a means of highlighting any residual matters needing urgent attention

(c) integrate ICR with presentation of follow-up project whenever there is substantial completion of current project

Efficiency

(a) limit text for small straight forward operations to not more than

five pages, with no summary, focussing on design, objectives, results/outcome and impact (ex-ante criteria to select such projects will need to be agreed)

(b) conform main ICR data and ratings with electronic PAD/Form 590 to ensure that most information needed for the ICR is developed routinely throughout design and implementation (vision is a seamless electronic format, for data and some text, from PCD, to PAD, to 590, and to ICR)

Effectiveness

(a) for large and controversial operations, innovative ones and first of a series, include network staff and external partners in ICR process

'b) mandate that there should be a completed ICR prior to all follow-up ᴊALs and SECALs

(c) augment self-evaluation with network participation to get more objective review

Accountability

a) explicitly rate quality at entry in ICRs

(b) where quality at entry is deficient, require DC and TM at entry to prepare brief comments as annex to ICR

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7.   The points above are generally consistent with a recent board paper ("Comparative Analysis of MDB Completion Reporting and Performance Review", CODE96-77, November 12, 1996).   Subsequently, that report was the subject of a presentation by the Evaluation Cooperation Group of the MFIs to the Governors at the last Annual Meetings.

Annexes (2)

OED
December 2, 1997

Annex 1

BANKWIDE COMPLETION REPORTING GROUP

Draft Terms of Reference

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POSSIBLE CRITERIA FOR DIFFERENTIAL ICR COVERAGE

Three categories of projects are suggested, based on criteria that would
identify those features of projects which ought to determine what type of
ICR exercise would be most effective. As a next step, these criteria, or
others, could be tested against the set of projects due to close in FY99.
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million, projects where Panel review occurred, all pilot projects, all
first projects in a sector of a country, all projects in a sector with less
than a 60 percent satisfactory rating, the final project in a linked
series):

Objectives:

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improve accountability - concentrating on significant operations.

Features:

Updated current guidelines, especially to reduce summary to one to two
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for mandatory consultation with partners, strengthen sector/country context
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Substantial ICR mission is mandatory, with main partners invited to
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Mandatory comments from selected former TMs and managers (criteria?) attached as annexes.

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Not more than five pages, no summary or attachment of aide memoire (filed), reduced data tables,
special mission not necessary (responsible unit's choice), main emphasis on results, outcomes
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OED does not audit these projects, except where it disagrees with key performance ratings
----

Roger H. Slade
12/02/97 06:38 PM

Extn: 81293   OEDST
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OED
December 2, 1997

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To: Elizabeth Mcallister
cc: Robert Picciotto
      R. Pablo Guerrero O.
      Rene I. Vandendries
      Andres Liebenthal
      Alain A. Barbu
      Richard L. Berney
      Anthony J. Blackwood
      Gianni Zanini
      Susan A. Stout

A L L - I N - 1   N O T E

Elizabeth,

    I note your point about me being trumped, but my opening contacts with Kathy Sierra were based on the attached.

See you in a week, black eyes and all!!!

Roger.

CC: ROBERT PICCIOTTO   (ROBERT PICCIOTTO@A1@WBWASH)

```
A L L - I N - 1   N O T E
```

    DATE: 27-Oct-1997 11:10pm EST

      TO: See Distribution Below

    FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO@A1@WBWASH)

    EXT.: 84569

 SUBJECT: ICR Task Force

           I understand that Mr Kaji has given a green light to the
           establishment of the task force. I would suggest that Roger or
           Andres make contact with Kathy Sierra to ascertain the status of
           the membership and the terms of reference.

           DISTRIBUTION:
      TO: ELIZABETH MCALLISTER   (EMCALLISTER1@WORLDBANK.ORG@INTERNET)
      TO: ROGER SLADE   (ROGER SLADE@A1@WBHQB)
      TO: ANDRES LIEBENTHAL   (ALIEBENTHAL@WORLDBANK.ORG@INTERNET)
      TO: PABLO GUERRERO   (PABLO GUERRERO@A1@WBWASH)
      TO: RENE VANDENDRIES   (RENE VANDENDRIES@A1@WBWASH)

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A L L - I N - 1   N O T E
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DATE: 07-Nov-1997 06:21pm

TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: Roger Slade, OEDST   (ROGER SLADE@A1@WBHQB)

EXT.:   81293

SUBJECT: RE: ICR Task Force

Bob,

Translation from the Greek -- I understood it (trumped) to mean
that if I represent OED on the Task Force we would be overruled as
Kathy Sierra outranks me. Elizabeth thought we would have to
figure out a way to avoid that.

See you on the 17th or 18th.

Roger

CC: ELIZABETH MCALLISTER   (EMCALLISTER1@WorldBank.org@INTERNET)

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: November 6, 1997 12:39pm

   TO: Elizabeth McAllister   (ELIZABETH MCALLISTER)

FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO)

EXT.:   84569

SUBJECT: ICR Task Force

At the CODE subcommittee yesterday, Ms Salop and I committed to
have the results of the ICR task force ready by the end of the
fiscal year. The Chairman (Mr Legg) welcomed this and said that
the work of the task force was of great interest to the
Subcommittee.

We agreed that the task force would work closely with the
Subcommittee. Mr Legg said that a couple of Subcommittee members
might be nominated to "work" with the task force and he also
wished us to arrange for meetings to discuss specific ICRs and
ICR reviews.

All this means that you or one of your managers ought to contact
Kathy Sierra for setting up the group. The MDOs and I should sign
the terms of reference once the group has been formed and a work
plan has been designed. The next step will be for you and Kathy
(or your representatives) to brief Mr Legg.

CC: Laurie Effron   (LAURIE EFFRON)
CC: ROGER SLADE   (ROGER SLADE@A1@WBHQB)
CC: ANDRES LIEBENTHAL   (ALIEBENTHAL@WORLDBANK.ORG@INTERNET)
CC: PABLO GUERRERO   (PABLO GUERRERO)
CC: RENE VANDENDRIES   (RENE VANDENDRIES)
CC: Phyllis Peter-Mallard   (PHYLLIS PETER-MALLARD)
CC: PER OYVIND BASTOE   (PBASTOE@WorldBank.org@INTERNET)
CC: DGO Files   (DGO FILES)

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: October 29, 1997

TO: Operations Evaluation Staff

FROM: Elizabeth McAllister, Director, OEDDR

EXTENSION: 34380

SUBJECT: **The New ICR Review Process**

Attached are draft instructions for OED's new ICR review process, derived directly from the report of the working group that reported to OED's management in August. The new process aims to provide the Bank's Board and management with more timely, reliable and insightful information about project performance.

Timeliness is essential for the credibility and relevance of the process. But quality in evaluation is not to be sacrificed for speed. The review process we apply must reflect fully the values we hold with respect to engaging our clients and mutual learning from shared experience. Evaluators must, therefore, interact with OED's regional and network clients in a fair, open and constructive way, while seeking to observe the new elapsed time standards.

Our aim is to apply the new procedures fully from January 1, 1998. Steps will also be taken to promote consistency in evaluation across OED through training, the sharing of experience, and independent reviews: to ensure that mechanisms for conflict resolution are working successfully; and to address longer-term issues such as the introduction of OED's findings into the Bank's knowledge management system and the standardization and consistent use of the terminology to describe projects.

Attachment

cc: Robert Picciotto, Roger Slade, Rene Vandendries, Pablo Guerrero, Andres Liebenthal

OPERATIONS EVALUATION DEPARTMENT
ICR Review Process Instructions

Preamble. *OED's new ICR review process is the result of a broad-based discussion to which many OED staff contributed. Steps in the new ICR review process are set out below. The new process makes OED's Group Managers responsible for ICR reviews, institutes a one-stop review by an ICR Clearance Panel, replaces the Evaluative Summary and Memo to the Director with a single Evaluation Summary which becomes the written record of the review, and aims to complete the review of 80 percent of all ICRs within two months of their receipt by OED. The full range of changes proposed will be implemented on January 1, 1998.*

The aim of the new process is improve the quality and timeliness of the information OED provides to the Board and Bank management about the portfolio and project performance. For this reason, it is the responsibility of everyone in OED to apply OED's principles of evaluation and project ratings consistently and to discharge their ICR review responsibilities promptly. Nevertheless, OED will not sacrifice quality for speed. Evaluators must continue to constructively engage with project task managers to promote mutual learning and product reliability. Care should be taken to ensure that OED's judgments are valid and fair, and that objections from the Regions or criticisms of OED's assessments are dealt with constructively but expeditiously.

1.   The new ICR process is made up of a series of steps that follow the ICR from its receipt in OED to the availability of confirmed ratings and findings to be posted in OED's database. Each step is characterized by an action, an identifiable staff member or office responsible for that action, and an elapsed time target to be allocated for its completion. The new process applies to both ICRs and Project Completion Notes (PCNs). (Steps in the proposed review process are summarized in Annex A.)

2.   **Receipt of the ICR.** There is a single entry point for ICRs in OED: the Director's office. Once in the Director's office, the ICR is logged in by the program assistant, assigned to the relevant group (OEDST or OEDCR), and sent to the Group Manager. (A draft tracking form, that will follow the ICR throughout the review process, is attached as Annex B. The tracking form contains target dates assigned (by the Group Manager, paragraph 3 below) and space for actual dates to be recorded. The form could be paper or electronic. As the ICR moves through the review process, the actual date of each step is noted against the target date. After the ICR has left the Director's office and arrived at the Group, the Group's administrative assistant begins to shepherd the ICR through the review process and, with the cooperation of evaluators and the help of staff assistants, keeps the tracking sheet up to date.)

Elapsed time to complete these steps: 2 working days.

3.   **Assignment of the ICR review.** Once the ICR is received by the Group Manager, it is logged in by the group administrative assistant, and assigned to an evaluator. Assignments are made by the Manager on the basis of an evaluator's expertise and availability, his/her overall workload, and the priority of other tasks already assigned. In deciding an ICR review assignment, the Group Manager may consult the relevant cluster coordinator, sector specialist, or regional specialist. Once decided, the deadline for completing the task is assigned. The deadline for delivery of an ICR review (completion of the evaluation summary and PIF) is **a hard deadline**, set by the Group Manager and agreed by the evaluator when he/she receives the ICR.

Elapsed time to complete these steps: 2 working days.

4.   **Evaluation of the ICR.** The ICR is logged in by the relevant staff assistant and sent to the evaluator. The evaluator's staff assistant immediately opens an ICR review file and assembles the relevant documents necessary to support the ICR review (typically the SAR, President's Report, and the Loan or Credit Agreement).

Elapsed time to complete these steps: 3 working days.

5.   The evaluator completes the review. In the course of the review, the evaluator is encouraged to talk to the relevant task manager if he/she has questions or if there are important gaps in the information provided in the ICR. The evaluator drafts an evaluation summary (ES) and a PIF.[1] The ES is a single form that combines elements of the former EVM and memo to the director. A sample ES is attached as Annex C. The completed ES is sent to the country manager to report OED's ratings and findings and includes the name of the initial evaluator and the panel reviewer. The finalized ES becomes OED's entry in the ETB.

6.   The ES is an electronic form or template with fields in which ICR ratings and judgments are recorded. Only in very exceptional circumstances should an ES require editing. Lotus Notes will be used to prepare and disseminate the ES, and to conduct correspondence with Regions about the ES. Notes technology facilitates completing the ES on the screen, tracking the ES, and "promoting" the final ES to the ETB without delay.

7.   The ES is checked for completeness by the evaluator and his/her staff assistant. When complete, the ES is sent (with the PIF and the ICR) to the chair of the ICR review panel for validation.

Elapsed time to complete these steps: 15 working days.

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[1]   An ES and a PIF are required for a Project Completion Note (PCN). However, the ES and the PIF will contain ratings on outcome, institutional development, and sustainability only when there is sufficient information available in the PCN to support them.

8.   **Validation of the evaluation: the ICR review and clearance panel**. The ratings and findings of the draft review are validated by a member of an the ICR review and clearance panel. The panel is composed of 8 evaluators, chosen for their experience with ICR reviews and mentoring skills. Panel members are drawn from all Groups and disciplines within OED. Membership of the panel is for one year.

9.   The panel has a chairperson (and an alternate chair) to help ensure a smooth distribution of work. Each ICR received by the panel is assigned by the chair (or the alternate chair, in the absence of the chair) to a panel member who is available to perform the validation review in a timely way. The chair is required to make the distribution of ICRs to panel members as even as possible and to maintain the flow of ICR reviews at a steady pace.

10.   The designated reviewer assesses the draft ES and PIF for validity, content, consistency, and clarity. If the reviewer recommends changes be made to the ES or PIF, these are discussed directly with the evaluator, and the agreed changes are made by the evaluator himself/herself.

11.   If the reviewer needs a second opinion on the ratings or findings of the ICR review, he/she may ask the chair of the review panel to designate a second reviewer to provide it.

12.   If a substantive disagreement regarding an ICR review arises between an evaluator and a panel member—over ES ratings or findings—the panel chair (or alternate chair), in consultation with another reviewer, or the relevant cluster leader, reviews the disagreement and proposes a solution. Disagreements that cannot be solved in this way are settled by the Group Manager.

13.   The final draft ES, cleared by the panel, is forwarded (with the completed PIF and the ICR) by the evaluator's staff assistant to the relevant Group Manager who signs off and sends it to the relevant country director.

Elapsed time to complete these steps: 7 working days.

14.   **Dissemination of the evaluation summary, feedback, and revision.** The Group Manager (OEDST or OEDCR) sends the ES to the relevant country director, with a request for confirmation of OED's ratings within 5 working days. Comments from the Region are sought on OED's ratings and the learning experience of the review. If the region fails to respond within 5 working days, the evaluator should ask the country director if a response can be expected and urge that it be sent without delay.

15.   When OED's ratings agree fully with those of the Region, when the Region concurs promptly with OED's ratings, or when the Region does not respond within 5 working days, the evaluator finalizes the ICR package quickly (paragraph 17, below).

16.   If the Region contests OED's ratings, then the ES is returned to the evaluator for reconsideration. The evaluator strives to resolve the disagreement quickly, (say, within 5 working days), and is encouraged to discuss outstanding issues with the project task manager. If such a discussion resolves the disagreement, then the ES is finalized and sent to the Group Manager. If, after discussion with the Region, unresolved differences remain, then the evaluator and the panel member involved must jointly agree on, and propose, an appropriate course of action to be authorized by the Group Manager.

17.   In exceptional circumstances, the advice of OED's Group Managers or cluster leaders will be sought to resolve disagreements over ratings or findings between OED and the Regions. In these circumstances, the Group Managers' decisions will be final. In exceptional circumstances—when highly sensitive, seemingly intractable problems, or circumstances that could be considered precedent-setting arise—Group Managers will seek the advice of the Director OED or the DGO in order to resolve disagreements with the Regions.

Elapsed time to complete these steps when there are no, or minimal, disagreements with the Regions: 10 working days.

18.   **Finalization of the ICR package and posting the PIF.** The completed review package (the ES, the PIF, and the ICR) is assembled by the evaluator and his/her staff assistant. The evaluator is responsible for checking the accuracy of the documents and the consistency of the ratings recorded in the ES and the PIF before the package is sent to the Group Manager. The evaluator's staff assistant forwards the package to the Group administrative assistant. The final ES is approved by the Group Manager. The evaluator posts the PIF as soon as the ES is finalized. The final ES is logged out by the Group administrative assistant, who sends it to OEDCM. The Group administrative assistant liaises with OEDCM to ensure that completed PIFs have been posted.

Elapsed time to complete these steps: 3 working days.

19.   **Total elapsed time.** The total elapsed time for the ICR review process—provided there are no major disagreements with the Regions that cannot be resolved in the time allocated—is **42 working days**, or approximately two months. It is acknowledged that some ICR reviews will take longer to clear the review process because of specific disagreements with the Regions that cannot be resolved quickly.

20.   The overall performance target is for 80 percent of ICRs to be reviewed within 42 working days. This standard is based on the observation that up to 20 percent of OED's ICR reviews will continue to be contested by the Regions. Evaluators are encouraged to bring disagreements with the regions over ratings to a conclusion expeditiously but without compromising OED's rating criteria. When OED becomes involved in dialog with the Regions, it is impossible to predict precisely how long the resolution of differences will take.

21.   Tracking the ICR review process requires special attention. Tracking is a Group function and the progress of the ICR is followed by the Group administrative assistant. As each step of the ICR review process is completed, the relevant staff assistants are required to keep the Group administrative assistant informed of progress. If for any reason an ICR moves off its critical path, the staff member (evaluator or reviewer) is informed by the administrative assistant and asked to get the work back on track, or make the necessary arrangements to do so.

Annex A: Summary of the ICR review process.

Summary of OED's proposed ICR review process		
Review step	Responsible person	Elapsed time allotted (working days)
1. Receive the ICR and assign it to a Group	OEDDR	2 days
2. Assign ICR to reviewer	Group Manager	2 days
3. Open file and assemble documents	Evaluator's staff assistant	3 days
4. Evaluation of the ICR	Evaluator and staff assistant	15 days
5. OED validation of the evaluation	ICR review panel member(s)	7 days
6. Dissemination of the evaluation summary and revision of ratings and findings	Group manager, evaluator, and review panel member.	10 days
7. Finalization of the ICR package	Evaluator and staff assistant	3 days
8. Total elapsed time: 42 working days. While time to complete individual steps may vary, the overall elapsed time target of 42 days is firm.		
9. Tracking the ICR review	Group staff assistant	Continuous

Annex B: ICR review tracking form.

Project identification:			
Designated evaluator:			
Designated reviewer:			
Review step	Target date	Actual date and signature	
1. Assign to Group			
2. Assign to evaluator			
3. Complete evaluation			
4. Validate draft review			
5. Disseminate draft review			
6. Revise ratings and findings			
7. Finalize package			
8. Post the ratings and findings			

Annex C: OED's ICR evaluation summary form.[2]

1. Identify the project.	Project name, loan/credit number, resources allocated/used, partners etc.
2. Project goals, objectives and components.	Summarize goals, objectives and components.
3. Achievement of relevant goals.	Degree of achievement of relevant goals. Note measurable indicators if available. Note if no measurable indicators.
4. Significant achievements.	Note significant achievements.
5. Significant shortcomings.	Note significant shortcomings.
6. Outcome rating.	Note reasons for disagreement with ICR, re efficacy, efficiency, and relevance.
7. Institutional development rating.	Note reasons for disagreement with ICR.
8. Sustainability of impact rating.	Note reasons for disagreement with ICR.
9. Bank performance.	Note reasons for disagreement with ICR with special reference to quality at entry.
10. Borrower performance.	Note reasons for disagreement with ICR.
11. Lessons.	Note lessons of broad applicability.
12. Audit recommendation.	If yes, note why.
13. Quality of the ICR.	Note value as tool of accountability; completeness, consistency, and evidence vs. conclusions; candor; quality of analysis; value of lessons; borrower and cofinancier involvement, and plan of future operation.
14. Prepared by:	
15. Reviewed by:	

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[2] While the size of each field on this form may vary as needed by project, the overall length will be less than two pages.

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A L L - I N - 1   N O T E
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DATE: 25-Oct-1997 06:55pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.:   37499

SUBJECT: <u>RE: icr reform</u>

    Hi. You're right -- not yet. We are just at the
beginning. We have Sven's and JDW support, but need to sell it
throughout the institution. The troops won't like the compliance
part. But we are offering them lightening up on bureaucratic
processes and quasi-policies; and most important, we will offer
clarity.

    Also, on ACRs and other ESW matters, I have just been given
the strong mandate by the MDs to discipline the troops. And I
now have someone to help me (you met her -- Rosalinda
Quintanilla, who is working with Andres Liebenthal & CO on
edconomic analysis of projects).

ALL-IN-1 NOTE

DATE: 25-Oct-1997 06:48pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.: 37499

SUBJECT: <u>RE: icr reform</u>

Okay. But please put it in this way. Otherwise, if it looks like you are against, those who don't want to comply or monitor will use your non-support as ammunition. Caio will also read it badly. And it will die on the vine.

But if we get support -- including the funds and political will to implement -- we can really change things.

Agree?

ALL-IN-1 NOTE

DATE: 25-Oct-1997 06:42pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.: 37499

SUBJECT: RE: icr reform

        Hortatory self? Will you be supportive? We need you.

A L L - I N - 1   N O T E

DATE: 25-Oct-1997 06:33pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.:   37499

SUBJECT: RE: icr reform

Bob,

Wed is not about the costs. It is about compliance --
which you earlier said you strongly supported. Are you
now suggesting we should ditch compliance to save more money?

By the way, I didn't see these three issues in your earlier
comments on the draft. Nor did they come up in our meeting. We
could have addressed them, had you raised them.

Cheers.

Joanne

ALL-IN-1 NOTE

DATE: 25-Oct-1997 06:21pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.: 37499

SUBJECT: <u>RE: icr reform</u>

Hi. Some Board members say that the additional $50 million that the CER identifies was already assumed in the Compact.

On cost-effectiveness of compliance measures, what is the concern?

ALL-IN-1 NOTE

DATE: 25-Oct-1997 05:55pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.: 37499

SUBJECT: RE: icr reform

　　　　Hi. Yes. My biggest worry is the missing $50 million.
I'm not sure anyone in PBD has a fix on the numbers.

　　　　We'll need to plan for Wed. Caio will come and say a few
things at the beginning -- hopefully on policy implementation and
compliance. (But he will need to leave at 3:00 -- unfortunate
timing of the OVP meeting on ARPP.) I hope we can count on your
support.

　　　　Cheers!

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A L L - I N - 1   N O T E
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DATE: 25-Oct-1997 05:14pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.: 37499

SUBJECT: <u>icr reform</u>

Bob,

    FYI: Gautam said: "do it". And so we shall. Kathy will lead, per the attached. Thanks for the nudge!

Joanne

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A L L - I N - 1  N O T E
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DATE: 22-Oct-1997 10:11am EST

   TO: jsalop   (jsalop@worldbank.org@INTERNET)

 FROM: Katherine Sierra,   (Ksierra@worldbank.org@INTERNET)

 EXT.:

SUBJECT: <u>Re: ICR Reform</u>

   I'm meeting with Joe Wood to discuss.   OCS is probably the right
"home", though I don't have this work in the work program, and we'll have
   see how we fund it.

   CC: Prem C. Garg   (Pgarg1@worldbank.org@INTERNET)
   CC: Hans-Martin Boehmer   (Hboehmer@worldbank.org@INTERNET)

A L L - I N - 1   N O T E

    DATE: 18-Oct-1997 11:45am

      TO: Robert Picciotto   (ROBERT PICCIOTTO)

    FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

    EXT.: 37499

SUBJECT: <u>RE: ICR Reform</u>

        Thanks. I'll follow-up with Gautam on Monday.

A L L - I N - 1   N O T E

DATE: 17-Oct-1997 09:16pm

TO: Prem Garg   (PREM GARG)

FROM: Joanne Salop, MDOPS   (JOANNE SALOP)

EXT.:   37499

SUBJECT: ICR Reform

Prem,

    Hi. Grateful to know where this stands. It will be good
if we can reflect this in the self-evaluation report to CODE.

    Cheers!

Joanne

CC: JOE WOOD   (JOE WOOD @A1@WBHQB)
CC: Robert Picciotto   (ROBERT PICCIOTTO)
CC: MONA WASFY   (MONA WASFY @A1@WBHQB)

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: October 17, 1997 02:10pm

TO: PER OYVIND BASTOE   (PBASTOE@WorldBank.org@INTERNET)

FROM: Alain Barbu, OEDST   (ALAIN BARBU)

EXT.:   31689

SUBJECT: ICR Task Force (re. this afternoon's meeting)

This is to follow up on Julian's recent EM. Based on a few phone
calls I made today, it appears that no Task Force has yet been
formally established.

CC: Robert Picciotto   (ROBERT PICCIOTTO)
CC: Pablo Guerrero   (PABLO GUERRERO)
CC: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
CC: JULIAN BLACKWOOD   (ABLACKWOOD@WorldBank.org@INTERNET)
CC: OEDD1 Files   (OEDD1 FILES)

ALL-IN-1 NOTE

DATE: 17-Oct-1997 12:30pm

TO: Per Oyvind Bastoe   (Pbastoe@worldbank.org@INTERNET)
TO: /OU=Person/O=World Bank   (/OU=Person/O=World_Bank@worldbank.org@INTERNET

FROM: Anthony J. Blackwood,   (Ablackwood@worldbank.org@INTERNET)

EXT.:

SUBJECT: ICR Process re the meeting this afternoon

This responds for your request for info. on this activity.

In late August Roger asked me to assemble a small team to prepare a
position for the DMT to discuss on Joe Wood's idea that the ICR process
might be differentiated as to categories of projects. This was to prepare
for OED's participation in a Bank-wide review of the ICR process. The main
focus of our team was to be on criteria for differentiation and
implications for the ICR guidelines. Originally we were to have a draft by
mid-September, but then that deadline was relaxed, fortunately, as we had
been unable to get much staff consultation going. Another OED team is
working on cleaning up the PIF for export (Alain Barbu).

I have no further information on the Bank-wide ICR task force and have seen
nothing in writing. Nor do I know any more on Joe Wood's thinking.
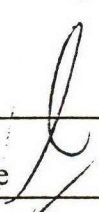
It has been difficult to get as much well focused attention in OED on this
topic as it deserves (with the ICR rush, travel, study deadlines and the
retreat), but the team (myself, Berney and Zanini) has benefited from
  .tributions by key selected e-mail correspondents and meetings with staff
of OEDST and OEDCR. I was finalising a brief draft note (for DMT
discussion) for circulation to the team and correspondents when you called
just now. Mindful of the last time operations set about revising the ICR
process, and almost decimated it but for OED's eleventh hour intervention,
the team has taken a slightly broader view of its task. We have revisited
the ICR process in an attempt to capture some positive improvements, while
the mood is right, that should be in everyone's interest.   We are
sympathetic to Joe Wood's idea in principle, share some of the apparent
concerns, but are wary of the potential consequences for self-evaluation
and OED, and note that the current guidelines are flexible enough already
(although not without problems) to allow differentiation.   In brief, we
think that OED's strategy should be to take an opportunistic approach and
go to the party with some positive and progressive suggestions of benefit
to all involved.

However, re this afternoon's meeting, it would be premature for OED to take
a position on Joe Wood's ideas, or any other substantive points Joanne
Salop may make in the meeting, before OED has done its own thinking. The
team's work is well advanced, and some useful and progressive ideas are
gelling, but we need time for staff comment and DMT discussion.
Furthermore, OED management may decide to flesh out some of our conclusions
for presentation to the Bank-wide team.

I trust that covers what you need.

CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)
CC: Elizabeth McAllister   (Emcallister1@worldbank.org@INTERNET)
CC: Roger H. Slade   (Rslade@worldbank.org@INTERNET)
CC: Alain A. Barbu   (Abarbu@worldbank.org@INTERNET)
CC: Richard L. Berney   (Rberney@worldbank.org@INTERNET)
CC: Gianni Zanini   (Gzanini@worldbank.org@INTERNET)

THE WORLD BANK GROUP

ROUTING SLIP	DATE: October 6, 1997	
NAME	97 OCT -6 PM 1:09	**ROOM. NO.**
Messrs./Mme. Picciotto, McAllister, Gibbs, Liebenthal, Vandendries	DGO	

	URGENT		PER YOUR REQUEST
	FOR COMMENT		PER OUR CONVERSATION
	FOR ACTION		NOTE AND FILE
	FOR APPROVAL/CLEARANCE		FOR INFORMATION
	FOR SIGNATURE		PREPARE REPLY
	NOTE AND CIRCULATE		NOTE AND RETURN

RE:
ICR Review Process

REMARKS:

Attached are draft instructions (for review at 2:30 p.m. today) for the new ICR review process. They are derived directly from the report of the working group. As you know the Panel was established in August and is working satisfactorily.

FROM Roger Slade	**ROOM NO.** G 7-035	**EXTENSION** 8-1293

OPERATIONS EVALUATION DEPARTMENT
ICR Review Process Instructions

1.   The new ICR process is made up of a series of steps that follow the ICR from its receipt in OED to the availability of confirmed ratings and findings to be posted in OED's database. Each step is characterized by an action, an identifiable staff member or office responsible for that action, and an elapsed time target to be allocated for its completion. (Steps in the proposed review process are summarized in Annex A.)

2.   **Receipt of the ICR.** There is a single entry point for ICRs in OED: the Director's office. Once in the Director's office, the ICR is logged in by the program assistant, assigned to the relevant group (OEDST or OEDCR), and sent to the Group Manager. (A draft tracking form, that will follow the ICR throughout the review process, is attached as Annex B. The tracking form contains target dates assigned (by the Group Manager, paragraph 3 below) and space for actual dates to be recorded. The form could be paper or electronic. As the ICR moves through the review process, the actual date of each step is noted against the target date. After the ICR has left the Director's office and arrived at the Group, the Group's administrative assistant begins to shepherd the ICR through the review process and, with the cooperation of evaluators and the help of staff assistants, keeps the tracking sheet up to date.)

Elapsed time to complete these steps: 2 working days.

3.   **Assignment of the ICR review.** Once the ICR is received by the Group Manager, it is logged in by the group administrative assistant, and assigned to an evaluator. Assignments are made by the Manager on the basis of an evaluator's expertise and availability, his/her overall workload, and the priority of other tasks already assigned. In deciding an ICR review assignment, the Group Manager may consult the relevant cluster coordinator, sector specialist, or regional specialist. Once decided, the deadline for completing the task is assigned. The deadline for delivery of an ICR review (completion of the evaluation summary and PIF) is **a hard deadline**, set by the Group Manager and agreed by the evaluator when he/she receives the ICR.

Elapsed time to complete these steps: 2 working days.

4.   **Evaluation of the ICR.** The ICR is logged in by the relevant staff assistant and sent to the evaluator. The evaluator's staff assistant immediately opens an ICR review file and assembles the relevant documents necessary to support the ICR review (typically the SAR, President's Report, and the Loan or Credit Agreement).

Elapsed time to complete these steps: a minimum of 3 working days.

5.   The evaluator completes the review. In the course of the review, the evaluator is encouraged to talk to the relevant task manager if he/she has questions or if there are important gaps in the information provided in the ICR. The evaluator drafts an evaluation summary (ES) and a PIF.[1] The ES is a single form that combines elements of the former EVM and memo to the director. A sample ES is attached as Annex C. The completed ES is sent to the country manager to report OED's ratings and findings and includes the name of the initial evaluator and the panel reviewer. The finalized ES becomes OED's entry in the ETB.

6.   The ES is an electronic form or template with fields in which ICR ratings and judgments are recorded. Only in very exceptional circumstances should an ES require editing. Lotus Notes will be used to prepare and disseminate the ES, and to conduct correspondence with Regions about the ES. Notes technology facilitates completing the ES on the screen, tracking the ES, and "promoting" the final ES to the ETB without delay.

7.   The ES is checked for completeness by the evaluator and his/her staff assistant. When complete, the ES is sent (with the PIF and the ICR) to the chair of the ICR review panel for validation.

Elapsed time to complete these steps: 15 working days.

8.   **Validation of the evaluation: the ICR review and clearance panel.** The ratings and findings of the draft review are validated by a member of an the ICR review and clearance panel. The panel is composed of 8 evaluators, chosen for their experience with ICR reviews and mentoring skills. Panel members are drawn from all Groups and disciplines within OED. Membership of the panel is for one year.

9.   The panel has a chairperson (and an alternate chair) to help ensure a smooth distribution of work. Each ICR received by the panel is assigned by the chair (or the alternate chair, in the absence of the chair) to a panel member who is available to perform the validation review in a timely way. The chair is required to make the distribution of ICRs to panel members as even as possible and to maintain the flow of ICR reviews at a steady pace.

10.   The designated reviewer assesses the draft ES and PIF for validity, content, consistency, and clarity. If the reviewer recommends changes be made to the ES or PIF,

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[1]   An ES and a PIF are required for a Project Completion Note (PCN). However, the ES and the PIF will contain ratings on outcome, institutional development, and sustainability only when there is sufficient information available in the PCN to support them.

these are discussed directly with the evaluator, and the agreed changes are made by the evaluator himself/herself.

11.   If the reviewer needs a second opinion on the ratings or findings of the ICR review, he/she may ask the chair of the review panel to designate a second reviewer to provide it.

12.   If a substantive disagreement regarding an ICR review arises between an evaluator and a panel member—over ES ratings or findings—the panel chair (or alternate chair), in consultation with another reviewer, or the relevant cluster leader, reviews the disagreement and proposes a solution. Disagreements that cannot be solved in this way are settled by the Group Manager.

13.   The final draft ES, cleared by the panel, is forwarded (with the completed PIF and the ICR) by the evaluator's staff assistant to the relevant Group Manager who signs off and sends it to the relevant country director.

Elapsed time to complete these steps: 7 working days.

14.   **Dissemination of the evaluation summary, feedback, and revision.** The Group Manager (OEDST or OEDCR) sends the ES to the relevant country director, with a request for confirmation of OED's ratings within 5 working days. Comments from the Region are sought when OED disagrees with the ratings in the ICR.

15.   When OED's ratings agree fully with those of the Region, when the Region concurs promptly with OED's ratings, or when the Region does not respond within 5 working days, the evaluator finalizes the ICR package quickly (paragraph 17, below).

16.   If the Region contests OED's ratings, then the ES is returned to the evaluator for reconsideration. The evaluator strives to resolve the disagreement quickly, (say, within 5 working days), and is encouraged to discuss outstanding issues with the project task manager. If such a discussion resolves the disagreement, then the ES is finalized and sent to the Group Manager. If, after discussion with the Region, unresolved differences remain, then the evaluator and the panel member involved must jointly agree on, and propose, an appropriate course of action to be authorized by the Group Manager.

17.   In exceptional circumstances, the advice of OED's Group Managers or cluster leaders will be sought to resolve disagreements over ratings or findings between OED and country departments. The Group Manager's decision will be final.

Elapsed time to complete these steps when there are no, or minimal, disagreements with the Regions: 10 working days.

18.   **Finalization of the ICR package and posting the PIF.** The completed review package (the ES, the PIF, and the ICR) is assembled by the evaluator and his/her staff

assistant. The evaluator is responsible for checking the accuracy of the documents and the consistency of the ratings recorded in the ES and the PIF before the package is sent to the Group Manager. The evaluator's staff assistant forwards the package to the Group administrative assistant. The final ES is signed off by the Group Manager. The evaluator posts the PIF as soon as the ES is finalized. The final ES is logged out by the Group administrative assistant, who sends it to OEDCM. The Group administrative assistant liaises with OEDCM to ensure that completed PIFs have been posted.

Elapsed time to complete these steps: 3 working days.

19.   **Total elapsed time.** The total elapsed time for the ICR review process—provided there are no major disagreements with the Regions that cannot be resolved in the time allocated—is **42 working days**, or approximately two months. It is acknowledged that some ICR reviews will take longer to clear the review process because of specific disagreements with the Regions that cannot be resolved quickly.

20.   The overall performance target is for 80 percent of ICRs to be reviewed within 42 working days. This standard is based on the observation that up to 20 percent of OED's ICR reviews will continue to be contested by the Regions. Evaluators are encouraged to bring disagreements with the regions over ratings to a conclusion expeditiously but without compromising OED's rating criteria. When OED becomes involved in dialog with the Regions, it is impossible to predict precisely how long the resolution of differences will take.

21.   Tracking the ICR review process requires special attention. Tracking is a Group function and the progress of the ICR is followed by the Group administrative assistant. As each step of the ICR review process is completed, the relevant staff assistants are required to keep the Group administrative assistant informed of progress. If for any reason an ICR moves off its critical path, the staff member (evaluator or reviewer) is informed by the administrative assistant and asked to get the work back on track, or make the necessary arrangements to do so.

Annex A: Summary of the ICR review process.

Summary of OED's proposed ICR review process		
Review step	Responsible person	Elapsed time allotted (working days)
1. Receive the ICR and assign it to a Group	OEDDR	2 days
2. Assign ICR to reviewer	Group Manager	2 days
3. Open file and assemble documents	Evaluator's staff assistant	3 days
4. Evaluation of the ICR	Evaluator and staff assistant	15 days
5. OED validation of the evaluation	ICR review panel member(s)	7 days
6. Dissemination of the evaluation summary and revision of ratings and findings	Group manager, evaluator, and review panel member.	10 days
7. Finalization of the ICR package	Evaluator and staff assistant	3 days
8. Total elapsed time: 42 working days. While time to complete individual steps may vary, the overall elapsed time target of 42 days is firm.		
9. Tracking the ICR review	Group staff assistant	Continuous

Annex B: ICR review tracking form.

Project identification:			
Designated evaluator:			
Designated reviewer:			
Review step	Target date	Actual date and signature	
1. Assign to Group			
2. Assign to evaluator			
3. Complete evaluation			
4. Validate draft review			
5. Disseminate draft review			
6. Revise ratings and findings			
7. Finalize package			
8. Post the ratings and findings			

Annex C: OED's ICR evaluation summary form.[2]

1. Identify the project.	Project name, loan/credit number, resources allocated/used, partners etc.
2. Project goals, objectives and components.	Summarize goals, objectives and components.
3. Quality at entry.	Satisfactory or not. If not, note why.
4. Achievement of relevant goals.	Degree of achievement of relevant goals. Note measurable indicators if available. Note if no measurable indicators.
5. Significant achievements.	Note significant achievements.
6. Significant shortcomings.	Note significant shortcomings.
7. Outcome rating.	Note reasons for disagreement with ICR.
8. Institutional development rating.	Note reasons for disagreement with ICR.
9. Sustainability rating.	Note reasons for disagreement with ICR.
10. Bank performance.	Note reasons for disagreement with ICR.
11. Borrower performance.	Note reasons for disagreement with ICR.
12. Lessons.	Note lessons of broad applicability.
13. Audit recommendation.	If yes, note why.
14. Quality of the ICR.	Note value as tool of accountability; completeness, consistency, and evidence vs. conclusions; candor; quality of analysis; value of lessons; borrower and cofinancier involvement, and plan of future operation.
Prepared by:	
Reviewed by:	

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[2] While the size of each field on this form may vary as needed by project, the overall length will be less than two pages.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: September 2, 1997 03:20pm

  TO: ELIZABETH MCALLISTER   (EMCALLISTER1@WorldBank.org@INTERNET)
  TO: CHRISTOPHER GIBBS   (CGIBBS@WorldBank.org@INTERNET)

FROM: Pablo Guerrero, OEDPK   (PABLO GUERRERO)

EXT.: 31717

SUBJECT: Re: Report of the working group on the ICR review process

        The working group has done a good job and made a lot of
progress in a short time. OEDPK will ensure that those aspects of
the proposed process which rely on IT (e.g. feeding the ES to
ETB, entering the PIF) and evaluation training are handled
expeditiously.

        However, I do have comments and questions:

        *The proposed face to face discussions between OED
reviewers and the Regions on ICRs may be desirable, yet OED
should still require a written confirmation of any agreement or
disagreement.

        *The failure of various Bank's peer review systems is well
known; what ensures that the elaborate ICR peer review mechanism
proposed is going to function any better? What steps should be
taken to track and monitor this review process? What incentives
should be introduced? How do we avoid diluting staff
accountability through this process?

        *The proposed focus on ICR quality is essential because
only after OED is satisfied that quality ICRs are being produced,
will OED be on firm ground to discuss the export of the PIF to
the Regions and the introduction of a sampling approach to ICR
reviews. Yet, if the focus is quality, why propose inflexible
time requirements on the Regions to confirm ratings. By
calling on ICR reviewers to quickly finalize the ICR package and
bring disagreements to expeditious conclusion, the proposal may
be undermining the integrity of the process. Many OED evaluators
already rather conform than "fight". I don't think we want to
foster "perverse" incentives? Further, if OED goes ahead anyway
with unconfirmed ratings after five days of waiting, this will
affect the ratings' credibility. Let's rethink this, and by all
means let's consult with the SOAs --who are supposed to keep
their pulse on ICRs.

        *The proposal is clear in laying out "elapsed times", but
what is the new ICR review proposal cost? What are the revised
ICR cost standards? What's the expected dedicated time per ICR
review?

*Regarding the Evaluation Summary, I would urge a disaggregated approach to ICR quality assessments. The Region needs to get feedback on the handling of key quality aspects in further detail, particularly on the quality of borrower and cofinacier inputs.

CC:	Robert Picciotto	(ROBERT PICCIOTTO)
CC:	ROGER SLADE	(ROGER SLADE @A1@WBHQB)
CC:	Rene Vandendries	(RENE VANDENDRIES)
CC:	Yves Albouy	(YVES ALBOUY)
CC:	Per Oyvind Bastoe	(PER OYVIND BASTOE)
CC:	HARVEY THOMSON	(HARVEY THOMSON @A1@WBHQB)
CC:	DGO Files	(DGO FILES)

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: August 29, 1997 07:12pm

  TO: Notes System Distribution List   (OESSTAFF@NOTES.WORLDBANK.ORG@INTERNET)

FROM: Roger Slade, OEDST   (ROGER SLADE@A1@WBHQB)

EXT.:   81293

SUBJECT: ICR Reviews: FY96 Exits.

A short note to report on the state of play at close of business today.

Disregarding 3 FY96 exit ICR's not yet recieved in OED there are 66 ICR's to be processed. Of these;

8 have been completed and the PIF posted;

44 have been sent to country directors for comment;

4 are with the Review Panel; and

10 are being prepared by evaluators.

Of the latter 10, 6 are expected by cob Tuesday and 4 on Wednesday.

This is a signal accomplishment and everyone concerned, staff assistants, evaluators and panel reviewers is to be congratulated for a job done well and with tremendous tolerence and good humour. Thank you all.

CC: ROBERT PICCIOTTO   (ROBERT PICCIOTTO@A1@WBWASH)
CC: OEDD1 FILES   (OEDD1 FILES@A1@WBWASH)

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: August 22, 1997

TO: OED Staff

FROM: Roger Slade, Acting Director, OEDDR

EXTENSION: 81293

SUBJECT: **Distribution of ICR Reviews**

1.   The memorandum to the country director commenting on the ICR and forwarding the EVM should have the following distribution:

      (a)   Be addressed to the Country Director;

      (b)   Be copied to:

            Joanne Salop (MDOPS);
            The relevant network board chairperson; [1]
            The task manager responsible for the ICR, and

      (c)   If the country director is based in the field, the memo and EVM should be faxed or sent by EM and also copied to the liaison officer in HQ.

2.   When necessary OED task managers may add to this standard distribution list but such additions should be made on an exceptional basis only. Please note that it is the OED task managers' responsibility to ensure that the right persons receive the EVM and the memorandum.

cc: Mr. Picciotto (DGO)

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[1]   For example Mr. McCalla for agriculture, Ms. O'Rourke for education, Mr. Pellegrini for infrastructure, etc.

Subject: ICR Reviews: Creation of a Panel.

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1. Following the conclusions of the task force on the ICR review process led by Chris Gibbs, I am pleased to say that a panel to review and clear ICRs (and PCNs) has been established. Starting immediately, all draft ICR and PCN reviews prepared by OED will be reviewed and cleared by the ICR panel. The ICR panel will be composed of eight experienced evaluators. The panel's initial membership will be: Yves Albouy (Chair), Hernan Levy (Deputy chair), Patrick Grasso, Susan Stout, Christopher Gibbs, Roger Robinson, Luis Landau, and Alice Galenson.

2. It is expected that the panel Chair will assign each completed, draft ICR to an individual panel member who will devote between one and three hours to its review. The panel member must ensure that the Evaluative Memorandum and the memo to the Country Director, which summarize OED's ratings and findings, is complete, clear, consistent, valid and conforms to OED's high editorial standards.

3. When panel reviewers have questions about draft ICR reviews, or recommendations for change, these should be discussed and resolved directly with the evaluator concerned. Panel reviewers are also free to seek second opinions on draft ICR reviews from other members of the panel. When a draft ICR review has been completed to the satisfaction of the evaluator and the panel reviewer, the latter sends it to the Group Manager who, in normal circumstances, will read it and sign off without further ado. Panel members will also work with evaluators to help resolve disagreements between OED and the Regions over ratings and findings. However, all disputes should be brought to the attention of the Group Manager whose duty it is to ensure that the matter is handled expeditiously.

4. There are two additional points. First, the memorandum to the Country Manager/Director will contain a concluding sentence, stating; "This ICR review was prepared by (insert task manager) and reviewed by (insert panel member)."

5. Second, for those ICR reviews being undertaken by consultants during August and September the originally assigned TM will review the ICR package and subsequently forward the package directly to the responsible manager. If, however, the consultant disagrees with the region's ratings or if the TM disagrees with the consultants ratings then the process will be as above and a formally designated panel member will review the ICR package before it is sent to the manager.

6. This Panel arrangement is a new departure for OED. It will take a high degree of cooperation among staff to make it work. The process will be fine tuned in the light of experience and OED management will recognize service on the panel as a merit good. Let us all work together to make this new process a success.

To: OESSTAFF
cc: Oedd1 Files

Subject: Review of ICRs - The ICR Panel

Dear colleagues,

Following Roger's email yesterday, this note sets out the mechanics of the review process with the involvement of the ICR panel.

The process will be as follows:

1. The Task Manager will deliver the complete ICR package (comprising EVM, Memo to Director, ICR and PIF) to their respective Group's Administrative Assistant/Office Manager (Jacintha or Carmen)

2. They will take the ICR package to Aracely, who will log arrival of package at the Panel. The Panel chairman will allocate the ICR review to a member of the ICR Panel.

3. The panelist will have 7 working days to review the ICR and reach an agreement with the task manager allowing the panelist to recommend clearance of the ICR review documents. By the end of this period, the TM will be expected to finalize the revised EVM and/or Memo to the Country Director.

4. The final package will be routed to the Group Manager for signature. The routing slip will be signed by the Task Manager, and will be routed to the GM through the Panel reviewer, who will initial the routing slip.

Thank very much for your collaboration. We all will need to work together to make the panel system operate smoothly - especially during the teething period. The panelists themselves, who are also producers of ICRs reviews (that will be reviewed by other panel members), will have a clear incentive to make the system work.

Hernan

To: oesstaff

ALL-IN-1 NOTE

    DATE: 14-Aug-1997 09:02am

      TO: Elizabeth McAllister   (Emcallister1@worldbank.org@INTERNET)

    FROM: Christopher J. N. Gibbs,   (Cgibbs@worldbank.org@INTERNET)

    EXT.:

SUBJECT: Audit reviews

Attached is a short paper proposing a new process for audit review and
clearance. It is the result of discussion with the ad hoc group that
worked earlier on ICR reviews, meetings with all available staff of OEDST
and OEDCR on two separate occasions, and a virtual discussion of the
penultimate draft with all Operations Evaluation Staff using Lotus Notes.

The proposal makes Group Managers responsible for audit reports, but
provides them with a strengthened peer review process and a panel of
reviewers who will indicate when an audit is ready for clearance.
Suggestions are also made for performance standards to help ensure that
audits are reviewed and cleared expeditiously.

Longer-run issues are flagged, such as how to make audits better tools of
accountability and lesson learning. Addressing these will require further
management consideration followed by systematic implementation at a later
date.

The proposal has broad-based support. Notably, evaluators indicated that
audit reports should be brief, peer review can and should be strengthened,
the number of rounds of review should be few, and the overall processing
time for audit reports should be shortened. However, a few people said
that senior managers should formally review all audit drafts, the proposed
two-step review process is excessive, cluster coordinators should provide
Group Managers with recommendations on audit clearance in place of the
panel, and that longer-run issues should be tackled immediately.

(See attached file: AUDTPANL.DOC)

    CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)
    CC: Roger H. Slade   (Rslade@worldbank.org@INTERNET)
    CC: Per Oyvind Bastoe   (Pbastoe@worldbank.org@INTERNET)
    CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
    CC: OEDD1_Files   (OEDD1_Files@worldbank.org@INTERNET)

Audit reviews: a proposal

1.   While the number of audit reports prepared by OED each fiscal year has declined, from about 100 in FY96 to about 70 in FY98, it remains substantial.

2.   The process of reviewing and clearing audits is being reexamined now to: a) devolve accountability for product quality, b) aim for a one-stop review, c) reduce the burden on Group Managers of reviewing audits, and d) raise overall product quality.

3.   **Short-run** audit issues addressed here include: a) strengthening the peer review process, b) devolving the audit clearance process from Group Managers to a panel of experienced evaluators, and c) speeding up the review and clearance process. The aim is to ensure that audits are reviewed and cleared in ways that satisfy task managers, OED's management, and clients, and keep OED's business moving.

4.   **Long-run** issues to be addressed include, among other things, how to make audits better tools of accountability, better sources of the lessons of experience, and more widely and more effectively disseminated. In the long-run, OED needs to become more innovative in how audits are chosen and completed, and how audit findings are made available to clients.

5.   The focus of this proposal is on the **short run** need to ensure that in FY98 audit reports are completed expeditiously and to a high standard.

A proposal for improving audit review and clearance in the short-run.

6.   **Accountability in OED**. Primary accountability for audits—assuring their timely production and quality—rests with task managers (evaluators) and their Group Managers. OED's Director or DGO should only be involved in the audit review and clearance process to resolve otherwise irreconcilable disagreements.

7.   **A strengthened peer review process**. Early in the audit process, task managers must identify two qualified peer reviewers, to the satisfaction of the relevant Group Manager. Peer reviewers should be chosen on the basis of their proven expertise in the sector, subsector, or topic covered by the audit and their knowledge of Bank operations. Peer reviewers provide professional advice to task managers on the substance of audits. At least one peer reviewer should be from (within the Bank but) outside OED. Peer reviewers should become substantively involved in the review process after the audit mission and when the task manager has completed a draft audit report.

8.   Task managers should ensure that peer review comments are gathered simultaneously in order to expedite finalization of the audit report. By the same token, peer reviewers should deliver their findings in a timely way. Peer review comments must be made in writing. OED's managers will be notified of audit reports undergoing peer review should they also wish to review draft reports at that time.

9. **A new audit clearance process**. Following peer review, recommendations to Group Managers to clear draft audits for distribution to the Regions will be made by members of an audit review panel. The panel will comprise 6 to 8 experienced evaluators, nominated by OED's management. The panel will have a chairperson and a deputy chair whose job is to ensure that audits are allocated to panel members and cleared expeditiously to a uniform, high standard. Panel members will keep each other appraised of their experience as reviewers.

10. Members of the audit clearance panel will seek to ensure that draft audits are fair, focused, clear, rigorous, and forward looking. The panel member chosen to review a particular audit need not be a specialist in the subject of that audit. The panel member's concern is the maintenance of overall standards of audit quality, in particular the quality of the audit's evidence, logic, analysis, conclusions, and recommendations.

11. Each draft audit (accompanied by the peer reviewers' written comments), will be allocated by the chair to at least one member of the panel. The panel member reviews the draft and recommends that the audit be signed by the Group Manager, or cleared subject to changes recommended by the panel member. A panel member's recommendations to change draft audits should be discussed directly with the task manager.

12. In the event that task managers and panel members disagree on substantive aspects of an audit, the Group Manager is responsible for resolving such differences.

13. Audit reports are sent to the Regions by the Group Manager. The covering memorandum includes the names of the task manager, the peer reviewers, and the review panel member.

14. When audits provoke critical responses from the Regions, the audit task manager is responsible for discussing the issue with the Regions, and providing an appropriate response with the support of the Group Manager. If this process fails, the help of OED's Director or the DGO should be promptly sought to help resolve the differences.

15. Task managers are responsible for the editorial quality of audit reports and should seek editorial assistance when needed. Editorially or presentationally unsatisfactory reports will not be released by Group Managers.

16. **A faster audit review process**. Audits will be reviewed and cleared expeditiously. Creation of an audit clearance panel should accelerate the delivery of audit reports. Speed will also be enhanced by a) making audit reports shorter (in line with the practice of the former OEDD1, where audit reports were 6,000 to 8,000 words in length), and b) setting and maintaining acceptable performance standards for review procedures.

17. Performance standards might include a) audits to be completed within a maximum of six months of their initiation, b) peer reviewers and audit panel members to provide

written comments on draft audits to task managers within 10 working days, and c) task managers to respond to any comments from the Regions within 5 working days.

18.   Speed in processing audits will also be enhanced by providing OED's staff assistants with guidelines on the format of audit reports and audit review procedures, and by circulating examples of best practice audit reports.

Long-run issues.

19.   It is recommended that OED management establish later in 1997 a task force to consider broader issues concerning audits.[1] Such issues may include, among other things, how to make audits better tools of accountability, better sources of lessons, and how to disseminate them more effectively. To do this will require department-wide consideration and action over a sustained period.

20.   **Making audits better tools of accountability**. Audits might be better tools for accountability if they a) are drawn as a random sample of completed projects, b) highlight performance indicators prominently, c) are publicly disclosed, d) involve borrowers more substantively, e) systematically involve partners and cofinanciers, and f) include beneficiary views whenever practical.

21.   **Making audits more useful to clients and better sources of lessons**. Audits might be more useful to clients if a) audit subjects were selected in consultation with borrowers and Bank task managers, b) audit reports were not always comprehensive and could be focused on important aspects of projects, c) audits could be building blocks for studies, d) audit findings were discussed directly with clients, and e) sectoral or thematic summaries of audit findings were discussed regularly with Network family boards.

22.   **Improving dissemination**. Dissemination of audit findings might be improved if audit reports were shorter in length and findings were a) made available more quickly, b) not presented only as reports, but discussed with clients in workshops in the Bank and in the field, c) related to project design activities and processes.

23.   **Internal considerations**. Audits could be prepared more expeditiously if a) up-to-date substantive and procedural guidelines were made available to evaluators and staff assistants and kept current, b) induction training for new auditors was further strengthened, c) less-experienced peer reviewers were coached, and d) best-practice audits were recognized and circulated as models among staff assistants and evaluators.

August 14, 1997

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[1]   At the request of management, a group of evaluators reviewed OED's audit guidance in 1995-96 and submitted a report, which has not yet been acted on.

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A L L - I N - 1   N O T E
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DATE: 11-Aug-1997 04:22pm

  TO: Christopher J. N. Gibbs   (Cgibbs@worldbank.org@INTERNET)

FROM: Linda Morra,   (Lmorra@worldbank.org@INTERNET)

EXT.:

SUBJECT: Re: Audit reviews

It is Monday afternoon and I hope there is still time for my comments!
 e they are:

I agree that it is desirable to address substantive review of audit
guidelines, but I believe, as your paper proposes, this is a separate
effort. Your review of audit review procedures deals with a short-term
problem that seems to need an immediate response. I think tying it to
the substantive review of the guidelines will indeed derail it.
I, like Linda Dove, am not clear on how one-stop review got translated
to no top management review. The idea, as I understood it, was to stop
the ping-pong effect, not to prevent top management from commenting. It
does not seem reasonable to exclude them from the process, but bring
them in after the fact when there is a major conflict with a Region.
Perhaps they need to provide a go-no go review decision after the Group
Manager has completed review. A no-go decision would result in an
immediate meeting to discuss the draft. At a minimum, this might be a
good evolutionary step toward the longer-run strategy.
The paper seems to call for a double peer review and I am not sure that
this is necessary or desirable. The panel, as described, appears to
work as more of a pool of peer reviewers than a panel. There is no
panel discussion of the draft audit. It seems that the coordinators
could well fill the role.
I agree, again with Linda Dove, that the process seems quite sequential.
Sequencing takes time. Perhaps there could be an early peer review,
followed by concurrent review by the Coordinator and Group Manager and
go-no go decision.
I do think editing of these reports should be the general practice.
Some can get a very light and quick edit, others will need more.
I think the general guidance to keep the length down is good, but do not
believe we want to count words. We need to keep our flexibility.

Hope this is helpful!

    CC: OESSTAFF   (OESSTAFF@worldbank.org@INTERNET)
    CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
    CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)

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A L L - I N - 1   N O T E
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DATE: 09-Aug-1997 06:44pm

  TO: Christopher J. N. Gibbs   (Cgibbs@worldbank.org@INTERNET)

FROM: Linda Ankrah Dove,   (Ldove@worldbank.org@INTERNET)

EXT.:

SUBJECT: Re: Audit "One stop" reviews and guidelines

Chris,

˪ ˙ry not to have been quicker responding after my mission and the ARDE
efforts since then.

I am very interested in the audits as I think they have great potential as
knowledge-sharing and knowledge-generating pieces, if appropriately
organized. And I see our new structure as "empowering" this sort of audit.

I also feel that there is a need for OED to maintain a strong
accountability role and I have ideas about how we can organize ourselves to
strengthen the way we identify, prioritize and disseminate information
about this type of audit. But that is for our next effort.

One more preliminary...as some of us in "in process" with audits under the
previous rubric, let's decide on a changeover date that will not apply
retrospectively to avoid those sorts of inefficiencies.

    the job in hand--the audit review process--I like a lot of what your
outline suggests. For my thoughts, here goes!

Guidelines

I do think we have to constantly think in terms of evolution and beware of
casting too much in stone at this point. My view is that, in this first
year, while we are all striving to meet the new standards we set ourselves,
we should probably invite a somewhat heavier peer review and formal review
than once the new OED is well-established.   One implication of this is
that we should go gradually on new guidelines while we develop the product
and new ways of ccommunicating it. Much of what is in the draft guidelines
is very good on substance for the "old" audits. I especially like the
recommendations for flexibility. I would have greatly appreciated such
guidance when I came to OED!   Eventually, I would envisage the new
guidelines would not be a rule-book but more a compendium, regularly
updated, of best-practice exemplars and ideas, grounded in what works and
has impact on clients. We don't know that yet!

At this stage, what is needed, I believe, as we all begin to share ideas
and arrive at shared standards, is a skeleton guideline, setting out the
OED objectives for audits, the criteria for audit selection and for our
evaluative judgements, the ratings methodology and the types of lessons we
try to generate, etc. I do not see rules about the number of words as

being critical. TMs are responsible for their judgements about that depending on cost and communicability. We do, however, need procedural simplication and uniform and shared procedures department-wide.

Review

The original point of the early proposal for a "one-stop" review was to obviate repetitive reviews and peer comments for the task manager to deal with at different stages of the drafting process, right up to final clearance. We envisaged a one-stop process whereby the TM would take into account all comments at any one stage at the same time, before final sign-off. This would obviate aggravating and unproductive changing things for one reviewer and then changing them back for the next; and allow the to get a comprehensive picture of what all the comments added up to.

I suggest that the responsibility is with the TM as to how many "one-stop" reviews she/he invites. Much would depend on factors like the importance of the audit, the controversial or sensitive nature of its issues or findings, and cost-effectiveness. Personally, I like to involve peer reviewers before a mission. Afterwards, I like to get comments from them and others, if new themes arise that call for it, alongside informal feedback from the regions and, sometimes, country counterparts. If think I suspect I need an editor at that point, I would seek help, if not earlier on.   For me, then, there would be two one-stop reviews to seek useful proposals for substance (relevance and technical quality), message, style and tone (effectiveness) and style and conformity with OED processing standards and typographical accuracy (efficiency). The latter involves the staff assistant member of the team.   (All this is predicated on the conventional written report form of audit, but it would be important whatever the media used).

I see this process--call it the professional review stage--as enabling the TM to be fully professionally responsible for the substance and form of the audit, and for form and the quality of the review process, including selection of reviewers,right up to the point of formal OED revi.w for approval purpose and sign-off..

Next, for me, the formal review--call it the OED review stage-- would be by one reviewer (or, perhaps, two reviewers for a very important audit). I would expect this review will normally be a formality (for quality assurance will have already been taken care of by the TM). This reviewer would be an experienced OED staff, conversant with OED standards, who has not been involved in any of the preceding reviewing and would recommend sign-off (without management needing to review again unless our clients, or the TM, bring to their attention a subsequent major issue, after circulation).

As to panels. It depends what we mean. A group of reviewers at the professional review stage or the OED review stage? Both stages can be called a panel but I will call the peer review group the panel and the management reviewers a pool. At the former, I think the TM is responsible for whether she/he consults folk (the panel) one by one, or in real time together, say face-to-face or by video-conferencing. At the OED review stage, I see the pool as a group of experienced OED staff, whom the

management team would select on a, say, one third, rotating basis annually (to maintain continuity and spread expertise fast).   I say the management team, because I see great value in having a department-wide review at this point to disseminate uniformly high standards across the newly constituted groups. Central allocation will enable a fair distribution of review tasks. But TMs would need to alert them to when the audit would be ready for review. Later, it might work for the OED review "pool" might allocate audit reviews among themselves.

How deep or shallow should the OED review pool be? Depends on how many audits, how loaded the reviewers, how bunched the review process, how much time we decide to give it and how fast we decide the turnaround time needs to be. With two week notice, two days for an audit, reading, discussion, orting, seems the minimum for one reviewer. Two by 75 audits....

Records

If TMs decide they need a full document file of review comments for their own purposes or management needs them for accountability, performance review and staff development purposes, then, for anything other than written comments, our office management team might need to advise us on how to cope.

Best Practice!

Finally, I propose an annual review to select the best audit of the year! But that's a topic for another time!

I hope this is helpful. My last day is Monday but I will be contactable at Harvard, at least by phone, if not by e-mail.

Linda

        CC: OESSTAFF   (OESSTAFF@worldbank.org@INTERNET)
        CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
        CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)
        CC: Elizabeth McAllister   (Emcallister1@worldbank.org@INTERNET)
        CC: Oesstaff   (Oesstaff@worldbank.org@INTERNET)
        CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
        CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)

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A L L - I N - 1   N O T E
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DATE: 09-Aug-1997 03:54pm

  TO: Robert J. Van Der Lugt   (Rvanderlugt@worldbank.org@INTERNET)

FROM: Kyu Sik Lee,   (klee2@worldbank.org@INTERNET)

EXT.:

SUBJECT: Re: Audit reviews

Robert:

I just read your email note. I have several points to make:

1) Having a peer reviewer from outside OED for an audit may
compromise OED's independence and its accountability function,
because most peer reviewers outside OED would tend to be those in
the regions who know the country situation and had participated
in that country's lending operations.

2) Having a "dirty" white cover before audit mission may be
efficient in terms of minimizing the report processing time. But
I strongly feel that such a practice would limit the room for
innovation in the field since having a while-cover draft in one's
hands will tend to limit one's effort to a set of hypotheses
pre-set in Washington. An audit should document unintended and
indirect impacts not anticipated in the SAR, especially in the
area of institutional development and sustainability. These are
difficult to put down in Washington, before arriving in the
field!

3) I also feel that there is no need for a audit panel however it
is defined. Quality enhancement should be achieved without
making life more difficult than it was before OED renewal.
I would like know how you did in old OEDD1 that you mentioned.

I am afraid that by now you are already up in the air relaxing!

Regards.
Kyu Sik

CC: Christopher J. N. Gibbs   (Cgibbs@worldbank.org@INTERNET)
CC: OESSTAFF   (OESSTAFF@worldbank.org@INTERNET)
CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)
CC: ELIZABETH MCALLISTER   (EMCALLISTER1@worldbank.org@INTERNET)
CC: Roger Slade   (rslade@worldbank.org@INTERNET)

ALL-IN-1 NOTE

    DATE: 09-Aug-1997 12:55pm

      TO: Christopher J. N. Gibbs   (Cgibbs@worldbank.org@INTERNET)

    FROM: Robert J. Van Der Lugt,   (Rvanderlugt@worldbank.org@INTERNET)

    EXT.:

SUBJECT: Re: Audit reviews

Christopher,

    ;ore I go on mission and leave, let me make a few observations (I am
sorry I did not have enough time to do full justice to your proposals).

There should be no confusion about the work that you are doing and the
procedural group. The procedural group has decided to focus on procedures,
not on form. The procedural group also ckecked with OEDPK about the audit
format. without much result. They also want to see others to do further
work. So let's not fall into a trap. I think as part of the audit review
process that you are guiding, we should make specific recommendations on
audit format. I like what we have experimented in OEDD1 and I would
recommend we make that the audit format standard.

As to process, I am in favor of strong peer review (from inside and outside
OED). This peer review should be organized from the beginning.

The practice of drafting a "dirty" white audit before the departure of the
    mission to the field has proven to be very useful. I think it should be
made mandatory.

Editing has also proven to be very usfeul to shape the structure of the
audits and sharpen the message. Let's make it part of the process.

Finally with all this in place (strong peer review, advance drafting before
mission departure, professional editing), the process of further guiding
the audit should be limited. How much more do we need to do? I see no role
for a pannel as we have already put in place strong peer review. I think
that the definition of the thematoic coordinators makes them ideally suited
to review and validate the audits.

I am sorry that I will not be here next week to explain these thoughts in
further detail, but please feel free to contact me by Email or telephone if
you need further clarification (Maryvonne and Adala have my vital
statistics).

Robert-Jan

    CC: OESSTAFF   (OESSTAFF@worldbank.org@INTERNET)
    CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
    CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)

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A L L - I N - 1   N O T E
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DATE: 08-Aug-1997 01:41pm

  TO: Christopher J. N. Gibbs   (Cgibbs@worldbank.org@INTERNET)

FROM: Gianni Zanini,   (gzanini@worldbank.org@INTERNET)

EXT.:

SUBJECT: <u>Re: Audit reviews</u>

I agree with Andres' comments re. the desirability to address
audit review procedure issues following the ongoing or expected
substantive review of audit guidelines.

Re. your suggestions, I think that:

re. para 7. rather than make it mandatory to have one peer reviewer
from outside OED, this be only encouraged, especially until a smooth
process of planning and budgeting for external inputs into our work
is in place;

re. para. 9, rather than create a panel with a chairperson and a
deputy chair with no other role but to assign audit reviews, let's
leave to the Group Manager the task to designate the evaluator to
clear the audit among his own senior evaluators (or maybe limited to
his own principal evaluators);

re. para. 9 and 11, I would argue that, as a number of us in OEDCR
did at the meeting to discuss your preliminary ideas, in order to
maximize the one-stop review aspect of these new procedural reforms,
draft audits should be sent routinely to all OED managers and front
office advisers (e.g., lead economist), who should also be on the
distribution list for comments (by a specific deadline, say, 10 days
from receipt). The designated evaluator (for clearing the audit),
then, would produce his/her recommendations for clearance or
suggestions for revision within the next 5 days and then discuss and
agree on any revisions directly with the task manager.

re. para 15, I would add that the shorter audits will not require any
more an evaluation summary. Also, that in-depth background
contributions and analyses to the audit can be accomodated in
annexes (you may want to put some qualitative or even quantitative
limits to the thickness of such annexes).

re. para 21, on L-T issues, I would add that dissemination would also
be improved by summarizing systematically audit findings, esp.
lessons learned, on a country basis (when CANs or CARs are produced).

I agree with the rest of your suggestions.

Regards,

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CC:  OESSTAFF              ( OESSTAFF@worldbank.org@INTERNET )
CC:  Hthomson              ( Hthomson@worldbank.org@INTERNET )
CC:  Hthomson              ( Hthomson@worldbank.org@INTERNET )
CC:  Robert Picciotto      ( Rpicciotto@worldbank.org@INTERNET )
CC:  Hthomson              ( Hthomson@worldbank.org@INTERNET )
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A L L - I N - 1   N O T E
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DATE: 07-Aug-1997 04:05pm

  TO: Christopher J. N. Gibbs   (Cgibbs@worldbank.org@INTERNET)

FROM: Andres Liebenthal,   (aliebenthal@worldbank.org@INTERNET)

EXT.:

SUBJECT: Re: Audit reviews

Chris,

many thanks for taking the leadership on this issue!

As I have not been involved with the Audit Working Group, I would
appreciate any background on why the review process issue is being
dealt with ahead of the audit guidelines. In my view, it may be
difficult to keep them apart, as the guidelines will specify the
criteria and other expectations in re coverage (and other factors you
mention in para 20) on the basis of which the draft audits will
presumably have to be reviewed (see para 9). This is particularly
relevant now, as we want to decentralize the review process while
maintaining uniformity of treatment across groups and sectors. Why not
do the whole hog?

Aside from that, what you are proposing looks fine to me.

Andres

CC: OESSTAFF   (OESSTAFF@worldbank.org@INTERNET)
CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)
CC: Hthomson   (Hthomson@worldbank.org@INTERNET)
CC: Annisa Cline-Thomas   (aclinethomas@worldbank.org@INTERNET)

ALL-IN-1 NOTE

DATE: 07-Aug-1997 10:18am

TO: See Distribution Below

FROM: Christopher J. N. Gibbs,   (Cgibbs@worldbank.org@INTERNET)

EXT.:

SUBJECT: Audit reviews

Before Elizabeth McAllister went away, she asked me to prepare a proposal
    expediting the audit review process. Having had discussions and
    ɔdback with members of OEDST and OEDCR who are here, and some members of
the group thathas already worked on ICR reviews, I have prepared the
attached note. Recognizing the short time frame, I would like to ask for
comments on this note by Monday morning, August 11. I would especially
like to hear from those of you who may not have made an input so far.

Thanks. Chris Gibbs.

(See attached file: AUDTPANL.DOC)

          DISTRIBUTION:
TO: OESSTAFF   (OESSTAFF@worldbank.org@INTERNET)
TO: Hthomson   (Hthomson@worldbank.org@INTERNET)
TO: Hthomson   (Hthomson@worldbank.org@INTERNET)
CC: Robert Picciotto   (Rpicciotto@worldbank.org@INTERNET)
CC: Hthomson   (Hthomson@worldbank.org@INTERNET)

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: August 5, 1997

TO: Ms. Elizabeth McAllister, Director, Operations Evaluation

FROM: ICR Process Working Group

EXTENSION: 31735

SUBJECT: **Report of the Working Group on the ICR Review Process**

[handwritten: Ms McA — Do you plan a one-stop review of this report? Or will you give me a final recommendation?]

1.   Attached is a copy of the report of an ad hoc working group assembled at your request to consider the ICR review process and propose a new and quicker approach with a "one-stop" review.

2.   The working group has agreed on the proposal contained in the attached report. The highlights of the proposal are that:

[handwritten: 9 9/5 OTS]

- ICR reviews will be allocated and signed off by OED's Group Managers;
- quality assurance will be provided by a review and clearance panel composed of experienced OED evaluators in a one-stop review;
- a single Evaluation Summary will replace the current Evaluative Memorandum and the Memo to the Director;
- the Evaluation Summary will not go to CODE: instead, CODE will be given timely summaries of performance ratings;
- the total elapsed time targeted for completion of most ICR reviews will be two months.

3.   To make this proposal work will require making ICR reviews a top priority for all OED staff, and providing strong management support to Group administrative assistants as they shepherd ICRs through the review process in a timely way.

cc: Helen Abadzi, Bill Battaile, Julian Blackwood, Adala Bruce-Konuah, Jayati Datta-Mitra, John English, Connie Frye, Alice Galenson, Christopher Gibbs, Patrick Grasso, Hernan Levy, Andres Liebenthal, Melody Mason, Josette Murphy, Susan Stout, Jacintha Wijesinghe, Robert Van Der Lugt, and Gianni Zanini.

Robert Picciotto, Roger Slade, Rene Vandendries, Yves Albouy, Per Bastoe, Harvey Thomson

[handwritten on pink note: Intra OED]

Reviewing ICRs: A Proposal for a New Approach.

I. Process

1.   **Mandate.** An ad hoc working group was formed at the request of OED's Director to prepare a proposal to OED management for a new ICR review process that is reliable, transparent, capable of consistent application, and of short duration. Reliability means that judgments about ICR ratings and quality are properly founded and consistent across evaluators. Transparency means that review process and criteria are understood by the relevant stakeholders and that findings and results are available to all. Consistency in application means that common standards are applied to all ICRs by all OED evaluation officers. Shortness of duration means an elapsed time target for ICR reviews of two months from receipt of the ICR by OED to posting the PIF, entering ratings in the annual review database, and entering the evaluation summary in the evaluation textbase (ETB).

2.   **Rationale.** The rationale for accelerating the ICR review process is fully appreciated: OED must become more responsive to its clients—in this case, CODE, Bank senior management, QAG, and country departments—and deliver ICR ratings and findings promptly. The Strategic Compact makes such change imperative.

3.   **Participation.** The working group—comprising 18 staff from all parts of OED's new structure, including evaluators, administrative staff, and staff assistants—was constituted to discuss this issue and prepared the proposal that follows. Participation in the meetings of the group was open to all OED staff.[1]

II. Findings

4.   Processing delays. Avoidable delays in processing ICRs in the past have been of two main kinds: a) assigned evaluators often took too long to switch from other work to work on an ICR review; and b) clearance of ICR reviews, both in OED and in the Regions, took too long.

5.   **Working principles.** The working group was given few explicit directions, but through its discussions developed the following working principles, namely that:

- all ICRs and Project Completion Notes (PCNs) received by OED will be reviewed promptly,
- ICR reviews are OED products and must meet an agreed standard of quality,

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[1]   The OED staff who contributed to this proposal were: Helen Abadzi, Bill Battaile, Julian Blackwood, Adala Bruce-Konuah, Jayati Datta-Mitra, John English, Connie Frye, Alice Galenson, Christopher Gibbs (Chair), Patrick Grasso, Hernan Levy, Andres Liebenthal, Melody Mason, Josette Murphy, Susan Stout, Jacintha Wijesinghe, Robert Van Der Lugt, and Gianni Zanini.

- the DGO and Director will be involved in the ICR review process only to resolve irreconcilable conflicts or provide guidance "on demand,"
- ICR reviews will be the responsibility of experienced evaluators,
- quality control of ICR ratings and findings will be a "one-stop" process,
- the Regions will continue to have an opportunity to confirm or contest OED's ICR ratings before they are finalized, preferably face-to-face,
- office technology should be employed to expedite the review process, and
- whatever ICR review process is adopted, it will be reviewed and modified in light of experience.

6.   **The ICR review process.** The working group defined OED's ICR review process as having the following essential steps:

- **receipt** of the ICR in OEDDR and assignment to an OED Group (OEDST or OEDCR),
- **assignment** of the ICR to an evaluator and agreement on a hard deadline for completion of the review,
- **evaluation** of the ICR and summarization of ratings and findings,
- **validation** of the evaluators' ratings and findings,
- **dissemination** of the draft findings to the Regions,
- **revision** of ratings and findings in light of feedback from the Regions,
- **finalization** of the ICR package, and
- **posting** the review data in the annual review database and the ETB.

7.   **Output of the ICR review process**. The output of the ICR review process should perform a number of functions, namely to:

- validate ICR ratings,
- establish the grounds for audits,
- provide a screen for lessons,
- assess the quality of the ICR itself, and
- initiate utilization of ratings and findings by Bank management and the Regions.

8.   **Key steps in the ICR review process.** The working group agreed that there are two key steps in the ICR review process that are not only essential, but have been sources of frustration in the recent past. These are a) the process of validation of the evaluators' draft ratings and findings, and b) the crafting of the evaluative memorandum (EVM) and memo to the director (MTD) which communicate OED's ratings and findings to the Regions. If these processes can be simplified and shortened, then the opportunity exists to reduce frustration and shorten significantly the elapsed time of the overall process.

9.   **Validation of the evaluators' ratings and findings**. A consensus emerged among the group that strict quality control of ICR reviews was essential. ICR reviews

should be completed by qualified evaluation officers (or under their direction), with the ratings and findings validated by their peers. There are three reasons for this. First, evaluation officers want to be accountable for their work as professionals. Second, expanding the number of reviewers supports the evaluation learning process within OED. Third, expanding the number of reviewers is key to reducing turnaround time.

10.   **The EVM and the memo to the director**. Revising and fine-tuning the EVM, and to a lesser extent the MTD, has been a major source of frustration in the ICR review process. The group agreed that the value added from a finely crafted EVM that goes to the Board late in the day, and long after the relevant ICR has been received by the Board, was limited. Since ICRs now go directly to the Board from the Regions, the group concluded that OED would serve the Board best by providing it with timely summaries of project performance ratings.

11.   The group also concluded that the output of the ICR review process should put equal emphasis on performance ratings, Bank-wide lessons drawn from implementation experience, and ICR quality. However, if the process of self-evaluation evolves, as hoped, by placing increasing responsibility on the borrower and the Regions, OED should support this change by putting increased emphasis on the quality of the ICR.

III. Parallel actions

12.   **Smoothing the inflow of ICRs**. The proposal that follows focuses on the ICR review process inside OED, but there are several related actions that require parallel attention. First, the inflow of ICRs from Bank Operations to OED should be managed to become more even and less peaked. Unless the delivery of ICRs is smoothed out, the already high level of stress on staff at the end of the fiscal year will be exacerbated. However, if the ICR process is transformed in 1998, this concern may become redundant.

13.   **Reconfirming evaluation criteria, and training evaluators and reviewers**. ICR reviews are based primarily on the evaluator's sound judgment. But a more devolved process of quality control for ICR reviews can only be built on clear and agreed evaluation criteria and a cadre of well trained evaluators who apply the same criteria fairly. Movement to an accelerated review process should, therefore, be built on a renewed and sustained impetus to reconfirm OED's evaluation criteria and to train evaluators and reviewers through clinical practice, i.e. evaluation training that is based on observation and analysis of good evaluation practice.

14.   **Providing appropriate incentives**. A quick turnaround of ICR reviews will depend on teamwork and sound assessments by individuals, as evaluators and reviewers (review and clearance panel members). Management must not only track the speed and reliability of the review process, but it must also acknowledge and reward the teams and individuals that play their parts reliably. Without appropriate incentives, even the best designed process will not work well. To date, management emphasis appears to have been placed more on the number of completed ICR reviews than on the recognition of the

reviewers. Staff who complete ICR reviews on time, or become members of the ICR review and clearance panel, should, therefore, be recognized for their work.

IV. Recommendation

15.   The group's recommendation for a new ICR process follows (paragraphs 16 to 31). It takes the form of an outline for a series of steps that follow the ICR from its receipt in OED to the availability of confirmed ratings and findings to be posted in OED's annual review database and the ETB. Each step is characterized by an action, an identifiable staff member or office responsible for that action, and an elapsed time target to be allocated for its completion. (Steps in the proposed review process are summarized in Annex A.)

16.   **Receipt of the ICR.** There should be a single entry point for ICRs in OED: the Director's office. Once in the Director's office, the ICR is logged in by the program assistant, assigned to the relevant group (OEDST or OEDCR), and sent to the Group Manager. (A draft tracking form, that will follow the ICR throughout the review process, is attached as Annex B. The tracking form will have target dates assigned to it (by the Group Manager, paragraph 17 below) and space for actual dates to be recorded. The form could be paper or electronic. As the ICR moves through the review process, the actual date of each step is noted against the target date. After the ICR has left the Director's office and arrived at the Group, the Group's administrative assistant begins to shepherd the ICR through the review process and, with the cooperation of evaluators and the help of staff assistants, keep the tracking sheet up to date.)

Elapsed time to complete these steps: 2 working days.

17.   **Assignment of the ICR review.** Once the ICR is received by the Group Manager, it is logged in by the group administrative assistant, and assigned to an evaluator. Assignments are made by the Manager on the basis of an evaluator's expertise and availability, his/her overall workload, and the priority of other tasks already assigned. In deciding an ICR review assignment, the Group Manager may consult the relevant cluster coordinator, sector specialist, or regional specialist. Once decided, the deadline for completing the task is assigned. The deadline for delivery of an ICR review (completion of the evaluation summary and PIF) is **a hard deadline**, set by the Group Manager and agreed by the evaluator when he/she receives the ICR.

Elapsed time to complete these steps: 2 working days.

18.   **Evaluation of the ICR.** The ICR is logged in by the relevant staff assistant and sent to the evaluator. The evaluator's staff assistant immediately opens an ICR review file and assembles the relevant documents necessary to support the ICR review (typically the SAR, President's Report, and the Loan or Credit Agreement).

Elapsed time to complete these steps: a minimum of 3 working days.

19.   The evaluator completes the review. In the course of the review, the evaluator is encouraged to talk to the relevant task manager if he/she has questions or if there are important gaps in the information provided in the ICR. The evaluator drafts an evaluation summary (ES) and a PIF.[2] It is proposed that the ES be a single form that combines elements of the current EVM and the memo to the director. (A draft ES is attached as Annex C.) The completed ES is sent to the country manager to report OED's ratings and findings. The finalized ES becomes OED's entry in the ETB.

It is **not** intended that the ES should go to CODE. Instead, CODE should be given periodic summaries of performance ratings and access to any ES, should they request it.

20.   The ES should be an electronic form or template with fields in which ICR ratings and judgments are recorded. Only in very exceptional circumstances should an ES require editing. It is probably desirable to use Lotus Notes to prepare and disseminate the ES, and to conduct correspondence with Regions about the ES. Notes technology facilitates completing the ES on the screen, tracking the ES, and "promoting" the final ES to the ETB without delay.

21.   Completeness of the ES should be checked by the evaluator and his/her staff assistant. When complete, the ES is sent (with the PIF and the ICR) to the chair of the ICR review and clearance panel for validation.

Elapsed time to complete these steps: 15 working days.

22.   **Validation of the evaluation: the ICR review and clearance panel.** The ratings and findings of the draft review are validated by a member of an OED ICR review and clearance panel, to be established. The panel will be composed initially of 8 evaluators, chosen for their experience with ICR reviews and mentoring skills. Panel members will be drawn from all Groups and disciplines within OED. Initial membership of the panel will be for one year.

23.   The panel will have a chairperson (and an alternate chair) to help ensure a smooth distribution of work. Each ICR received by the panel will be assigned by the chair (or the alternate chair, in the absence of the chair) to a panel member who is available to perform the validation review in a timely way. The chair will be charged to make the distribution of ICRs to panel members as even as possible and to maintain the flow of ICR reviews.

24.   The designated reviewer will assess the draft ES and PIF for validity, content, consistency, and clarity. If the reviewer recommends changes be made to the ES or PIF,

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[2]   An ES and a PIF are required for a PCN. However, the ES and the PIF will contain ratings on outcome, institutional development, and sustainability only when there is sufficient information available in the PCN to support them.

these are discussed directly with the evaluator, and the agreed changes are made by the evaluator himself/herself.

25.   If the reviewer needs a second opinion on the ratings or findings of the ICR review, he/she can ask the chair of the review panel to designate a second reviewer to provide it.

26.   If a substantive disagreement of an ICR review arises between an evaluator and a panel member—over ES ratings or findings—the panel chair (or alternate chair), in consultation with another reviewer, or the relevant cluster leader, will review the disagreement and propose the solution. Disagreements that cannot be solved in this way will be settled by the Group Manager.

27.   The final draft ES, cleared by the panel, is forwarded (with the completed PIF and the ICR) by the evaluator's staff assistant to the relevant Group Manager to be signed off and sent to the relevant country director.

Elapsed time to complete these steps: 7 working days.

28.   **Dissemination of the evaluation summary, feedback, and revision.** The Group Manager (OEDST or OEDCR) sends the ES to the relevant country director, with a request for confirmation of OED's ratings within 5 working days. Comments from the Region are invited only on substantive rating disagreements.

29.   When OED's ratings agree fully with those of the Region, when the Region concurs promptly with OED's ratings, or when the Region does not respond within 5 working days, the evaluator can finalize the ICR package quickly (paragraph 31, below).

30.   If the Region contests OED's ratings, then the ES is returned to the evaluator for reconsideration. The evaluator should attempt quickly (say, within 5 working days) to resolve the disagreement, and is encouraged to discuss outstanding issues with the project task manager. If such a discussion resolves the disagreement, then the ES is finalized and sent to the Group Manager. If, after discussion with the Region, unresolved differences remain, then the evaluator and the clearance panel member involved must jointly agree on, and propose, an appropriate course of action to be authorized by the Group Manager (say, within five working days).

31.   In exceptional circumstances, the advice of OED's Group Managers or cluster leaders will be sought to resolve disagreements over ratings or findings between OED and country departments. The Group Manager's decision will be final.

Elapsed time to complete these steps when there are no, or minimal, disagreements with the Regions: 10 working days.

32.　**Finalization of the ICR package and posting the PIF.** The completed review package (the ES, the PIF, and the ICR) is assembled by the evaluator and his/her staff assistant. The evaluator is responsible for checking the accuracy of the documents and the consistency of the ratings recorded in the ES and the PIF before the package is sent to the Group Manager. The evaluator's staff assistant forwards the package to the Group administrative assistant. The final ES is signed off by the Group Manager. The evaluator posts the PIF as soon as the ES is finalized. The final ES is logged out by the Group administrative assistant, who sends it to OEDCM. The Group administrative assistant liaises with OEDCM to ensure that completed PIFs have indeed been posted.

Elapsed time to complete these steps: 3 working days.

33.　**Total elapsed time.** The total elapsed time for the ICR review process—provided there are no major disagreements with the Regions that cannot be resolved in the time allocated—is **42 working days**, or approximately two months. It has to be acknowledged that some ICR reviews will take longer to clear the review process because of specific disagreements with the Regions that cannot be resolved quickly.

34.　The overall performance target should be for 80 percent of ICRs to be reviewed within 42 working days. This is based on the assumption that up to 20 percent of OED's ICR reviews are contested by the Regions. Evaluators should be encouraged to bring disagreements with the regions over ratings to a conclusion expeditiously. However, when OED becomes involved in dialog with the Regions, it becomes impossible to know precisely how long the resolution of differences will take.

V.　Tracking the review process

35.　Tracking the ICR review process will require special attention. It is proposed that tracking be a Group function and the progress of the ICR be followed by the Group administrative assistant. As each step of the ICR review process is completed, the relevant staff assistants will be required to keep the Group administrative assistant informed of progress. If for any reason an ICR moves off the critical path, the staff member (evaluator or reviewer) will be informed by the administrative assistant and asked to get the work back on track, or make the necessary arrangements to do so.

Annex A: Summary of the ICR review process.

Summary of OED's proposed ICR review process		
Review step	Responsible person	Elapsed time allotted (working days)
1. Receive the ICR and assign it to a Group	OEDDR	2 days
2. Assign ICR to reviewer	Group Manager	2 days
3. Open file and assemble documents	Evaluator's staff assistant	3 days
4. Evaluation of the ICR	Evaluator and staff assistant	15 days
5. OED validation of the evaluation	ICR review panel member(s)	7 days
6. Dissemination of the evaluation summary and revision of ratings and findings	Group manager, evaluator, and review panel member.	10 days
7. Finalization of the ICR package	Evaluator and staff assistant	3 days
8. Total elapsed time: 42 working days. While time to complete individual steps may vary, the overall elapsed time target of 42 days is firm.		
9. Tracking the ICR review	Group staff assistant	Continuous

Annex B: ICR review tracking form.

Project identification:			
Designated evaluator:			
Designated reviewer:			
Review step	Target date	Actual date and signature	
1. Assign to Group			
2. Assign to evaluator			
3. Complete evaluation			
4. Validate draft review			
5. Disseminate draft review			
6. Revise ratings and findings			
7. Finalize package			
8. Post the ratings and findings			

Annex C: OED's ICR evaluation summary form.[3]

1. Identify the project.	Project name, loan/credit number, resources allocated/used, partners etc.
2. Project goals, objectives and components.	Summarize goals, objectives and components.
3. Quality at entry.	Satisfactory or not. If not, note why.
4. Achievement of relevant goals.	Degree of achievement of relevant goals. Note measurable indicators if available. Note if no measurable indicators.
5. Significant achievements.	Note significant achievements.
6. Significant shortcomings.	Note significant shortcomings.
7. Outcome rating.	Note reasons for disagreement with ICR.
8. Institutional development rating.	Note reasons for disagreement with ICR.
9. Sustainability rating.	Note reasons for disagreement with ICR.
10. Bank performance.	Note reasons for disagreement with ICR.
11. Borrower performance.	Note reasons for disagreement with ICR.
12. Lessons.	Note lessons of broad applicability.
13. Audit recommendation.	If yes, note why.
14. Quality of the ICR.	Note value as tool of accountability; completeness, consistency, and evidence vs. conclusions; candor; quality of analysis; value of lessons; borrower and cofinancier involvement, and plan of future operation.

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[3] While the size of each field on this form may vary as needed by project, the overall length will be less than two pages.

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A L L - I N - l   N O T E
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DATE: 03-Aug-1997 03:01pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Joanne Salop, MDOMD   (JOANNE SALOP)

EXT.:   37499

SUBJECT: RE: Methodology

Bob,

    I can see that we may want to say that a project is successful -- subject to the continuation of certain (financial, institutional, macro, or environmental) pre-conditions that may be uncertain. And that we may want to separately rate the probability of those conditions.

    If that is what the sustainability rating covers, I can accept it. In other words:

    * The outcome rating is based on the assumption of a continuation of current conditions.

    * The sustainability rating is the likelihood of those conditions actually continuing.

    Joanne

CC: Prem Garg   (PREM GARG)
CC: Elizabeth McAllister   (ELIZABETH MCALLISTER)
CC: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
CC: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL @A1@WBHQB)
CC: Pablo Guerrero   (PABLO GUERRERO)

```
A L L - I N - 1    N O T E

   DATE:  02-Aug-1997 04:52pm

     TO:  Robert Picciotto              ( ROBERT PICCIOTTO )

   FROM:  Joanne Salop, MDOMD           ( JOANNE SALOP )

   EXT.:  37499

SUBJECT:  RE: Methodology

           Hi.  So you mean institutional sustainability?

     CC:  Prem Garg                     ( PREM GARG )
     CC:  Elizabeth McAllister          ( ELIZABETH MCALLISTER )
     CC:  ROGER SLADE                   ( ROGER SLADE @A1@WBHQB )
     CC:  ANDRES LIEBENTHAL             ( ANDRES LIEBENTHAL @A1@WBHQB )
     CC:  Pablo Guerrero                ( PABLO GUERRERO )
```

BANKWIDE COMPLETION REPORTING REVIEW GROUP

Terms of Reference

Completion reporting practices need to be reconsidered to enhance the contribution of ICRs to the Bank's development effectiveness. To this end, a Bankwide working group (comprising Regional, Network, OPS, QAG and OED staff) will be assembled to demonstrate ways and means of making the ICR process more efficient, effective and timely.

The objectives of ICRs (as outlined in OP/BP/GP 13.55) remain valid: accountability reporting is essential for fiduciary purposes; lesson of operational experience are needed for organizational learning; and post-completion operations plans, owned by borrowers, are to be actively supported by the Bank whenever this is likely to contribute meaningfully to the enhanced sustainability and ultimate impact of a lending operation. For ICRs to fulfill their potential, a more timely and discriminatory use of ICRs is needed.

To encourage more effective use of ICRs, the working group will:

I. explore the feasibility of unbundling the accountability, learning and "future operations planning" dimension of completion reports.

II. develop screening mechanisms, built into the supervision process, geared to the preparation of cost effective and targeted completion reports, tailored to the circumstances of individual projects.

III. propose new ICR processing practices and standards aimed at achieving reduced elapsed times; improved quality; full borrower and cofinancier involvement and effective linkages with knowledge management and organizational learning.

The working group willl carry out simulations and "live experiments" (with the participation of Regional and Network staff) so as to build "ownership" and demonstrate the feasibility of a new approach. The group will also identify the actions to be taken by the Regions and the Networks so that a new Bankwide ICR system is up and running by the beginning of FY99. Implementation of the new ICR system is to be budget neutral.

These proposals of the group should be reviewed for workability by the SOAs and submitted to the OVPs for consideration by end-October.

BANKWIDE COMPLETION REPORTING REVIEW GROUP

Terms of Reference

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These proposals of the group should be reviewed for workability by the SOAs and submitted to the OVPs for consideration by end-October.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 31, 1997 11:26am

  TO: See Distribution Below

FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO)

EXT.:   84569

SUBJECT: Completion Reporting

Joe/

I am delighted that the President gave a green light to ICR
initiative. I attach draft terms of reference. Once everyone is
happy with them, they should probably be signed by the MDs and
the DGO.

To help secure ownership, I would suggest that a meeting of the
SOAs or their equivalents be assembled by Prem Garg and Roger
Slade to discuss the scope of the exercise and to propose
practical approaches to the simulations. It would also be useful
to brief the OVPs on the exercise at a forthcoming OVP meeting.

The composition of the group should be discussed with the MDs,
Manuel Penalver, Kathy Sierra, Gianni Brizzi and Richard Feachem
might be among the names to be considered.

In my absence, Roger Slade will be representing OED on this
important initiative.

Bob

DISTRIBUTION:
TO: JOE WOOD   (JOE WOOD @A1@WBHQB)
TO: Prem Garg   (PREM GARG)
TO: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
CC: Joanne Salop   (JOANNE SALOP)
CC: Per Oyvind Bastoe   (PER OYVIND BASTOE)
CC: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL @A1@WBHQB)
CC: JAYATI DATTA-MITRA   (JAYATI DATTA-MITRA @A1@WBHQB)
CC: Elizabeth McAllister   (ELIZABETH MCALLISTER)
CC: DGO Files   (DGO FILES)

BANKWIDE COMPLETION REPORTING REVIEW GROUP

Terms of Reference

Completion reporting practices need to be reconsidered to enhance
the contribution of ICRs to the Bank's development effectiveness.
To this end, a Bankwide working group (comprising Regional,
Network, OPS, QAG and OED staff) will be assembled to demonstrate
ways and means of making the ICR process more efficient,
effective and timely.

The objectives of ICRs (as outlined in OP/BP/GP 13.55) remain
valid : accountability reporting is essential for fiduciary
purposes; lessons of operational experience are needed for
organizational learning and future operations plans, agreed with
borrowers, are critical to the enhanced sustainability of lending
operations. But for ICRs to fulfill their potential, managerial
ownership of the process is the critical missing ingredient and
this in turn hinges on a more timely and proactive use of ICRs.

While the aggregate cost of ICRs is not excessive (about 3% of
lending costs), actual "value added" by the ICR process is
limited. ICRs are perceived as "residual" products by operational
managers. Only three out of four ICRs contain borrowers'
contributions and they are often superficial. No more than half
reflect the existence of a plan for future operations and, of
these, less than half display adequate impact monitoring
arrangements and performance indicators. Bunching is chronic. Few
ICRs are produced by regular staff. The attention given to ICRs
by senior managers is limited.

To encourage effective managerial use of ICRs, the working group
will :

> (i) explore the feasibility of unbundling the
>   accountability, learning and "future operations
>   planning" dimensions of completion reports.
>
> (i) develop screening mechanisms, built into the
>   supervision process, geared to the preparation of cost
>   effective and targetted completion reports, tailored to
>   the circumstances of individual projects.
>
> (iii) propose new ICR processing practices and standards
>   aimed at achieving reduced elapsed times; improved
>   quality; full borrower and cofinancier involvement and
>   effective linkages with knowledge management and
>   organizational learning.

The working group will carry out simulations and "live
experiments" (with the participation of Regional and Network
staff) so as to build "ownership" and demonstrate the feasibility
of a new approach. The group will also identify the actions to be

taken by the Regions and the Networks so that a new Bankwide ICR system is up and running by the beginning of FY89. Implementation of the new ICR system is to be budget neutral.

```
ALL-IN-1 NOTE

    DATE:  31-Jul-1997 08:57am

      TO:  Robert Picciotto              ( ROBERT PICCIOTTO@A1@WBWASH )

    FROM:  Andres Liebenthal, OEDD3      ( ANDRES LIEBENTHAL@A1@WBHQB )

    EXT.:  82507

 SUBJECT:  RE: Completion Reporting
           Terms of Reference
```

Bob,
the draft is short and snappy - a model for other OED products! My
only suggestion is to replace "forward looking planning" in (ii) by
"future operation and sustainability-enhancing dimensions". Andres

```
    CC:  ROGER SLADE                 ( ROGER SLADE@A1@WBHQB )
    CC:  JAYATI DATTA-MITRA          ( JAYATI DATTA-MITRA@A1@WBHQB )
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THE WORLD BANK GROUP

ROUTING SLIP	DATE: July 31, 1997

NAME	97 JUL 31 PM 1: 00 ROOM. NO.
Mr. Robert Picciotto	DGO

	URGENT		PER YOUR REQUEST
	FOR COMMENT		PER OUR CONVERSATION
	FOR ACTION		NOTE AND FILE
	FOR APPROVAL/CLEARANCE		FOR INFORMATION
	FOR SIGNATURE		PREPARE REPLY
	NOTE AND CIRCULATE		NOTE AND RETURN

RE:
Report of the Working Group on the ICR Review Process

REMARKS:

Bob,

The attached is a very nearly finalized (the number of days for some sub-tasks within the 2 month target is still flexible). Unless you disagree, I propose to institute the panel review process straight away. I suggest the panel consist of: Y. Albouy (Chair); H. Levy (Deputy Chair); P. Grasso, S. Stout, C. Gibbs, R. Robinson, L. Landau and A. Galenson (members).

Roger

FROM	ROOM NO.	EXTENSION
Roger Slade	G 7-035	8-1293

OFFICE MEMORANDUM

DRAFT

DATE: July 31, 1997

TO: Ms. Elizabeth McAllister, Director, Operations Evaluation

FROM: ICR Process Working Group

EXTENSION:

SUBJECT: **Report of the Working Group on the ICR Review Process**

1.   Attached please find a copy of the report of an ad hoc working group put together to consider the ICR review process and propose a new and quicker approach with a "one-stop" review.

2.   The working group has reached a consensus on the proposal contained in its report. The highlights of the proposal are that:

- ICR reviews will be allocated and signed off by OED's Group Managers;
- quality assurance will be provided by a panel of experienced OED evaluators in a one-stop review
- a single Evaluative Summary will replace the current Evaluative Memorandum and the Memo to the Director;
- the Evaluative Summary will not go to CODE: CODE will be given timely summaries of performance ratings;
- the total elapsed time targeted for completion of most ICRs will be two months;
- OED's performance target should be to complete the review of 80 percent of all ICRs within two months.

cc: Helen Abadzi, Bill Battaile, Julian Blackwood, Adala Bruce-Konuah, Jayati Datta-Mitra, John English, Connie Frye, Alice Galenson, Christopher Gibbs, Patrick Grasso, Hernan Levy, Andres Liebenthal, Melody Mason, Josette Murphy, Susan Stout, Jacintha Wijesinghe, Robert Van Der Lugt, and Gianni Zanini.

Robert Picciotto, Roger Slade, Rene Vandendries, Yves Albouy, Per Bastoe, Harvey Thomson

hyt
C:\WORD\DOC\ICRTMTL.DOC

Second draft

Reviewing and clearing ICRs.

I. Process

1.   **Mandate.** An ad hoc working group was formed at the request of OED's Director to prepare a proposal to OED management for a new ICR review process that is reliable, transparent, capable of consistent application, and of short duration.[1] Reliability means that judgments about ICR ratings and quality are properly founded and consistent across evaluators. Transparency means that review process and criteria are understood by the relevant stakeholders and that the results are available to all. Consistency in application means that common standards are applied to all ICRs by all OED evaluation officers. Shortness of duration means an elapsed time target for ICR reviews of two months from receipt of the ICR by OED to posting the PIF, entering ratings in the annual review database, and entering the evaluation summary in the evaluation textbase (ETB).

2.   **Rationale.** The rationale for accelerating the ICR review process is fully appreciated: OED must become more responsive to its clients—in this case, CODE, Bank senior management, QAG, and country departments—and deliver ICR ratings and findings promptly. The Strategic Compact makes such change an imperative.

3.   **Participation.** The working group—comprising 18 staff from all parts of OED's new structure, including evaluators, administrative staff, and staff assistants—was constituted to discuss this issue and prepared the proposal that follows. Participation in the meetings of the group was open to all OED staff.[2]

II. Findings

4.   Processing delays. Avoidable delays in processing ICRs in the past have been of two main kinds: a) assigned evaluators often took too long to switch from other work to work on an ICR review; and b) clearance of ICR reviews, both in OED and in the Regions, took too long.

5.   **Working principles.** The working group was given few explicit directions, but through its discussions developed the following working principles, namely that:

a) all ICRs received by OED will be reviewed promptly,

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[1]   This proposal also applies to project completion notes (PCNs).

[2]   The OED staff who contributed to this proposal were: Helen Abadzi, Bill Battaile, Julian Blackwood, Adala Bruce-Konuah, Jayati Datta-Mitra, John English, Connie Frye, Alice Galenson, Christopher Gibbs (Chair), Patrick Grasso, Hernan Levy, Andres Liebenthal, Melody Mason, Josette Murphy, Susan Stout, Jacintha Wijesinghe, Robert Van Der Lugt, and Gianni Zanini.

b) ICR reviews are OED products and must meet an agreed standard of quality,

c) the DGO and Director will be involved in the ICR review process only under the most exceptional circumstances, to resolve irreconcilable conflicts or provide guidance when circumstances change,

d) the ICR review process will be devolved to the lowest relevant operating level in OED,

e) quality control of ICR ratings and findings will be a "one-stop" process,

f) the units in the Regions that prepare ICRs will continue to have an opportunity to confirm or contest OED's ICR ratings before they are finalized, preferably face-to-face,

g) office technology should be employed to expedite the review process, and

h) whatever ICR review process is adopted, it will be reviewed and modified in light of experience.

6.   **The ICR review process**. The working group defined OED's ICR review process as having the following essential steps:

a) **receipt** of the ICR in OEDDR and assignment to an OED Group (OEDST or OEDCR),

b) **assignment** of the ICR to an evaluator and agreement on a hard deadline for completion of the review,

c) **evaluation** of the ICR and summarization of ratings and findings,

d) **validation** of the evaluators' ratings and findings,

e) **dissemination** of the draft findings to the Regions,

f) **revision** of ratings and findings in light of feedback from the Regions,

g) **finalization** of the ICR package, and

h) **posting** the review data in the annual review database and the ETB.

7.   **Output of the ICR review process**. The output of the ICR review process should perform a number of functions, namely:

a) validate ICR ratings,

b) establish the grounds for audits,

c) provide a screen for lessons,

d) assess the quality of the ICR itself, and

c) initiate utilization of ratings and findings by Bank management and the Regions.

8.   **Key steps in the ICR review process**. The working group agreed that there are two key steps in the ICR review process that are not only essential, but have been sources of frustration in the recent past. These are a) the process of validation of the evaluators' draft ratings and findings, and b) the crafting of the evaluative memorandum (EVM) and memo to the director (MTD) which communicate OED's ratings and findings to the Regions. If these processes can be simplified and shortened, then the opportunity exists to reduce frustration and shorten significantly the elapsed time of the overall process.

9.   **Validation of the evaluators' ratings and findings**. A consensus emerged among the group that strict quality control of ICR reviews was essential. ICR reviews should be completed by qualified evaluation officers (or under their direction), with the ratings and findings validated by their peers. There are three reasons for this. First, evaluation officers want to be accountable for their work as professionals. Second, expanding the number of reviewers supports the evaluation learning process within OED. Third, expanding the number of reviewers is key to reducing turnaround time

10.   **The EVM and the memo to the director**. Revising and fine-tuning the EVM, and to a lesser extent the MTD, has been a major source of frustration in the ICR review process. The group agreed that the value added from a finely crafted EVM that goes to the Board late in the day, and long after the relevant ICR has been received by the Board, was limited. Since ICRs now go directly to the Board, the group concluded that the Board is best served by OED with a timely scorecard on project performance ratings that tracks experience periodically.

11.   The group also concluded that the output of the ICR review process should put equal emphasis on performance ratings, Bank-wide lessons drawn from implementation experience, and ICR quality. However, if the process of self-evaluation evolves, as hoped, by placing increasing responsibility on the borrower and the Regions, OED should support this change by putting increased emphasis on the quality of the ICR.

III. Parallel actions

12.   **Smoothing the inflow of ICRs**. The proposal that follows focuses on the ICR review process inside OED, but there are several related actions that require parallel attention. First, the inflow of ICRs from Bank Operations to OED should be managed to become more even and less peaked. Unless the delivery of ICRs is smoothed out, the already high level of stress on staff at the end of the fiscal year will be exacerbated. However, if the ICR process is transformed in 1998, this concern may become redundant.

13.   **Reconfirming evaluation criteria and training evaluators and reviewers**. ICR reviews are based primarily on the evaluator's sound judgment. But a more devolved process of quality control for ICR reviews can only be built on clear and agreed evaluation criteria and a cadre of well trained evaluators who apply the same criteria fairly. Movement to an accelerated review process should, therefore, be built on a renewed and sustained impetus to reconfirm OED's evaluation criteria and to train evaluators and reviewers through clinical practice, i.e. evaluation training that is based on observation and analysis of good evaluation practice.

14.   **Providing appropriate incentives**. A quick turnaround of ICR reviews will depend on teamwork and sound assessments by individuals, as evaluators and reviewers (review and clearance panel members). Management must not only track the speed and reliability of the review process, but it must also acknowledge and reward the teams and individuals that plays their parts reliably. Without appropriate incentives, even the best

designed process will not work well. To date, management emphasis appears to have been placed more on the number of completed ICR reviews than on the recognition of the reviewers. Staff who complete ICR reviews on time, or become members of the ICR review and clearance panel, should, therefore, be recognized for their work.

IV. Recommendation

15.   The group's recommendation for a new ICR process follows (paragraphs 16 to 31). It takes the form of an outline for a series of steps that follow the ICR from its receipt in OED to the availability of confirmed ratings and findings to be posted in OED's annual review database and the ETB. Each step is characterized by an action, an identifiable staff member or office responsible for that action, and an elapsed time target to be allocated for its completion. (Steps in the proposed review process are summarized in Annex A.)

16.   **Receipt of the ICR.** There should be a single entry point for ICRs in OED: the Director's office. Once in the Director's office, the ICR is logged in by the administrative assistant, assigned to the relevant group (OEDST or OEDCR), and sent to the Group Manager. (A draft tracking form, that will follow the ICR throughout the review process, is attached as Annex B. The tracking form will have target dates assigned to it (by the Group Manager, paragraph 17 below) and space for actual dates to be recorded. The form could be paper or electronic. As the ICR moves through the review process, the actual date of each step is noted against the target date. After the ICR has left the Director's office and arrived at the Group, the Group's administrative assistant begins to shepherd the ICR through the review process and, with the cooperation of evaluators and the help of staff assistants, keep the tracking sheet up to date.)

Elapsed time to complete this step: 2 working days.

17.   **Assignment of the ICR review.** Once the ICR is received by the Group Manager, it is logged in by the group administrative assistant, and assigned to an evaluator. Assignments are made by the Manager on the basis of an evaluator's expertise and availability, his/her overall workload, and the priority of other tasks already assigned. In deciding an ICR review assignment, the Group Manager may consult the relevant cluster coordinator, sector specialist, or regional specialist. Once decided, the deadline for completing the task is assigned. The deadline for delivery of an ICR review (completion of the evaluation summary and PIF) is **a hard deadline**, set by the Group Manager and agreed by the evaluator when he/she receives the ICR.

Elapsed time to complete this step: 2 working days.

18.   **Evaluation of the ICR.** The ICR is logged in by the relevant staff assistant and sent to the evaluator. The evaluator's staff assistant immediately opens an ICR review file and assembles the relevant documents necessary to support the ICR review (typically the SAR, President's Report, and the Loan or Credit Agreement).

Elapsed time to complete this step: 3 working days.

19.   The evaluator completes the review. In the course of the evaluation, the evaluator is encouraged to talk to the relevant task manager if he/she has or if there are important gaps in the information provided in the ICR. The evaluator drafts an evaluation summary (ES) and a PIF. It is proposed that the ES be a single form that contains elements of the current EVM and the memo to the director. (A draft is attached as Annex C.) When complete, the ES is sent to the country manager to report OED's ratings and findings. The finalized ES becomes OED's entry in the ETB. The ES should be an electronic form or template with fields in which ICR ratings and judgments are recorded. Only in very exceptional circumstances should an ES require editing.[3]

It is **not** intended that the ES should go to CODE. Instead, CODE should be given periodic summaries of performance ratings and access to any ES, should they request it.

20.   Completeness of the ES should be checked by the evaluator's staff assistant and, if complete, the ES is sent (with the PIF and the ICR) to the chair of the ICR review and clearance panel for validation.

Elapsed time to complete this step: 15 working days.

21.   **Validation of the evaluation: the ICR review and clearance panel**. The ratings and findings of the draft review are validated by a member of an OED ICR review and clearance panel, to be established. The panel will be composed initially of 8 evaluators, chosen for their experience with ICR reviews and mentoring skills. Panel members will be drawn from all Groups and disciplines within OED. Membership of the panel will be initially for one year.

22.   The panel will have a chairperson and an alternate chair. Each ICR received by the panel will be assigned by the chair (or the alternate chair, in the absence of the chair) to a panel member who is available to perform the validation review in a timely way. The chair will be charged to make the distribution of ICRs to panel members as even as possible and to maintain the flow of ICR reviews.

23.   The designated reviewer will assess the draft ES and PIF for validity, content, consistency, and clarity. If the reviewer recommends changes be made to the ES or PIF, these are discussed directly with the evaluator, and the agreed changes are made by the evaluator himself/herself.

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[3]   An ES and a PIF are required for a PCN. However, the ES and the PIF will contain ratings on outcome, institutional development, and sustainability only when there is sufficient information available in the PCN to support them.

24. If the reviewer needs a second opinion on the ratings or findings of the ICR review, he/she can ask the chair of the review panel to designate a second reviewer to provide it.

25. If a substantive disagreement of an ICR review arises between an evaluator and a panel member—over ES ratings or findings—the panel chair (or alternate chair), in consultation with the relevant cluster leader, will review the issue and propose the solution.

26. The final draft ES, cleared by the panel reviewer (containing the ratings and findings validated), is forwarded (with the completed PIF and the ICR) by the evaluator's staff assistant to the relevant Group Manager to be signed off.

Elapsed time to complete this step: 7 working days.

27. **Dissemination of the evaluation summary, feedback, and revision.** The Group Manager (OEDST or OEDCR) sends the ES to the relevant country manager in the Region, with a request for confirmation of OED's ratings within 5 working days. Comments are invited only on substantive rating disagreements.

28. If OED's ratings and findings are confirmed by the Region, or if there is no response from the Region within 5 working days, the ICR package is finalized by the evaluator (paragraph 31, below).

29. If the Region contests OED's ratings, then the ES is returned to the evaluator for reconsideration. The evaluator should attempt immediately to resolve any disagreement, and is encouraged to discuss outstanding issues with the project task manager. If, after such a discussion, unresolved differences remain, then the evaluator and the relevant clearance panel member must jointly agree on, and propose, an appropriate course of action to be authorized by the Group Manager.

30. In exceptional circumstances, the advice of OED's Group Managers or cluster leaders will be sought to resolve disagreements over ratings or findings between OED and country departments.

Elapsed time to complete this step: 10 working days.

31. **Finalization of the ICR package and posting the PIF.** The completed review package (the ES, the PIF, and the ICR) is assembled by the evaluator and his/her staff assistant. The evaluator is responsible for checking the consistency of the ES and the PIF. The evaluator's staff assistant forwards the package to the Group administrative assistant. The final ES is signed off by the Group Manager. The evaluator posts the PIF as soon as the review package is finalized. The final package is logged out by the Group administrative assistant, who sends it to OEDCM, which enters the ratings into the annual

review database and the ES into the ETB. The Group administrative assistant liaises with OEDCM to ensure that completed PIFs have been posted.

Elapsed time to complete this step: 3 working days.

32.   **Total elapsed time.** The total elapsed time for the ICR review process—provided there are no major disagreements with the Regions that cannot be resolved in the time allocated—is 42 working days, or approximately two months. It has to be acknowledged that the will be a few ICR reviews which take longer to clear the review process because of specific disagreements with the Regions that cannot be resolved quickly.

33.   <u>The overall performance target should be for 80 percent of ICRs to be reviewed within 42 working days</u>. This is based on the assumption that up to 20 percent of OED's ICR reviews are contested by the Regions. Evaluators should be encouraged to bring disagreements with the regions over ratings to a conclusion expeditiously. However, when OED becomes involved in dialog with the Regions, it becomes impossible to know precisely how long the resolution of differences will take.

V. Tracking the review process

34.   Tracking the ICR review process will require special attention. It is proposed that tracking be a Group function and the progress of the ICR be undertaken by the Group administrative assistant. If for any reason an ICR moves off the critical path, the relevant staff member (evaluator or reviewer) will be informed and asked to get the work back on track, or make the necessary arrangements to do so.

Annex A: Summary of the ICR review process.

Summary of OED's proposed ICR review process		
Review step	Responsible person	Elapsed time allotted (working days)
1. Receive the ICR and assign it to a Group	OEDDR	2 days
2. Assign ICR to reviewer	Group Manager	2 days
3. Open file and assemble documents	Evaluator's staff assistant	3 days
4. Evaluation of the ICR	Evaluator and staff assistant	15 days
5. OED validation of the evaluation	ICR review panel member(s)	7 days
6. Dissemination of the evaluation summary and revision of ratings and findings	Group manager, evaluator, and review panel member.	10 days
7. Finalization of the ICR package	Evaluator and staff assistant	3 days
8. Total elapsed time: 42 working days. While time to complete actual steps may vary from one project to another, the overall target of 42 days is firm.		
9. Tracking the ICR review	Group staff assistant	Continuous

Annex B: ICR review tracking form.

Project identification:			
Designated evaluator:			
Designated reviewer:			
Review step	Target date	Actual date and signature	
1. Assign to Group			
2. Assign to evaluator			
3. Complete evaluation			
4. Validate draft review			
5. Disseminate draft review			
6. Revise ratings and findings			
7. Finalize package			
8. Post the ratings and findings			

Annex C: OED's ICR evaluation summary form.[4]

1. Identify the project.	Project name, loan/credit number, resources allocated/used, partners etc.
2. Project goals, objectives and components.	Summarize goals, objectives and components.
3. Quality at entry.	Satisfactory or not. If not, note why.
4. Achievement of relevant goals.	Degree of achievement of relevant goals. Note measurable indicators if available. Note if no measurable indicators.
5. Significant achievements.	Note significant achievements.
6. Significant shortcomings.	Note significant shortcomings.
7. Outcome rating.	Note reasons for disagreement with ICR.
8. Institutional development rating.	Note reasons for disagreement with ICR.
9. Sustainability rating.	Note reasons for disagreement with ICR.
10. Bank performance.	Note reasons for disagreement with ICR.
11. Borrower performance.	Note reasons for disagreement with ICR.
12. Lessons.	Note lessons of broad applicability.
13. Audit recommendation.	If yes, note why.
14. Quality of the ICR.	Note value as tool of accountability; completeness, consistency, evidence vs. conclusions; candor; quality of analysis; value of lessons; and plan of future operation

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[4] While the size of each field on this form may vary as needed by project, the overall length will be less than two pages.

hyt
C:\WORD\DOC\ICRDRAFT.DOC
July 31, 1997 10:54 AM

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A L L - I N - 1   N O T E
```

DATE: 30-Jul-1997 07:34pm

  TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: Jayati Datta-Mitra, OEDCR   (JAYATI DATTA-MITRA@A1@WBHQB)

EXT.:   84007

SUBJECT: RE: Completion Reporting
              Terms of Reference

          Mr. Picciotto,
          Was just leaving when your EM came. On a quick read it looks
          great! Hits almost all the buttons we keep flagging about ICRs.
          But we need to get our proposals out soon before they start
          pointing a finger at the OED time lag.
          Jayati

  CC: ROGER SLADE   (ROGER SLADE@A1@WBHQB)
  CC: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL@A1@WBHQB)

A L L - I N - 1   N O T E

DATE: 25-Jul-1997 04:05pm

TO: See Distribution Below

FROM: Harvey Thomson, ICD   (HARVEY THOMSON@A1@WBHQB)

EXT.: 85646

SUBJECT: Summary Notes from 7/24 Meeting on ICR Reviews

These notes summarize key points, decisions, and actions from
the 7/24/97 meeting on ICR Reviews

COMMUNICATION

        Several recent events suggested staff did not understand
the vital importance of producing evaluation information in a
timely manner. This led to several conclusions:

1. Per would produce a weekly CHANGE BRIEF to keep staff
informed of key developments in the renewal effort.

2. The management team would decide on a schedule of regular
meetings with various configurations of staff. Per would do a
first draft to be discussed at a future meeting of the
management team. DGO breakfasts and DIR lunches would be
discussed in the context of the overall communication process.

ICR REVIEW INITIATIVES

The group used the meeting to clarify the scope and structure
of various initiatives to produce more timely and useful
evaluations of the development impact of projects.   The
initiatives are focusing on four areas:

        1. Projects evaluated and signed off by the end of FY97
        2. The peak load of ICRs received in Q4 FY97, especially
           in June ("The Overhang")
        3. Cycle time reduction on ICRs received in FY98
        4. Bankwide study of project completion reporting

1. Projects signed off in FY97

Resp: Andres Liebenthal

Goal: To ensure 100% completion and reduce the cycle time for
       making these data usable by the Bank

Comments:

o   There are about 11 ICRs not yet resolved (out of 300+

for the year. Andres will take responsibility for resolving all of these by Monday, July 28th. or obtaining OED clearance to exclude them from this years analysis.

o   Some polling of Bank clients for the data will be done to ensure that the data will be analyzed in the most useful ways.

o   Whipping the data base into usable shape will begin immediately

o   In the future, there will be no more "cohorts". ICR data will be included in a given data base either by approval year or by closing year.

2. Overhang Projects

Resp: Roger Slade

Goal: Sign off on the Overhang ICRs (approximately 160) by the end of October.

Comments:

o   A variety of approaches to handling this peakload were discussed: contracting out the lot of them to an external firm; contracting out by cluster; assess opportunity cost for each evaluator and reallocate and/or contract out some of the ICRs; hire short-term consultants to work under the direction of an internal evaluator; declare August/September "ICR Review Season" and defer all other work.

o   In the new spirit of participation, it was decided that each Group (and various Clusters within Groups) would be charged with the responsibility of meeting the October 31 deadline for their ICR reviews, but could develop their own strategies for accomplishing this.

o   Some budget parameters would be established by the management team to guide the problem solving by the Groups/ Clusters and the entire exercise would be viewed as a series of experiments in using various means of solving the peak load problem.

o   Two key principles that will guide the work are:

        -The Evaluator/Task Manager retains full accountability for the quality of the ICR review
        -Speed must not be achieved at the expense of quality
        -ICRs are a primary source of knowledge for the department, fostering continuity, providing a basis for negotiating with the regions, providing a basis for

comparative audits and more comprehensive studies. This knowledge must not be lost in the process.

o   Roger will take the lead in initating this project and all appropriate groups will be underway within the first two weeks of August.

3. Cycle-Time Reduction

Resp: Chris Gibbs

Goal: Beginning January 1, 1998, cycle time from receipt of ICRs to usable data in data base will not exceed 2 months.

Comments:

o   Chris reported that the team he pulled together is enthusiastic and has contributed many good ideas about how to accomplish this.

o   The improved process will be implemented (January) at a time when there is no heavy influx of ICRs. It is anticipated that this more streamlined process will help deal with the inevitable peak load of projects in Q4 FY98, but that some of the experiments with this year's peak load (Project #2 above) may also need to be employed.

o   The project is also an opportunity to strengthen relationships with regional clients, develop shared goals and increase Bank client evaluation capability. Involving the client in the project will be important to these goals. The project team might consider piloting the streamlined ICR review process with some segment(s) of the Bank.

o   Lack of consistency in preparing ICR reviews within OED is a serious issue. Training, written guidelines, mentoring, and evaluation of OED staff performance are all important dimensions of enhancing OED effectiveness.

o   Based on the input from his project team, Chris will come up with a first-cut concept of the new ICR cycle by the end of July.

4. Bankwide Study of Completion Reporting

Resp: Bob Picciotto

Goal: To come up with a more effective method for evaluating developmental impact of the Bank's projects to ensure information that contributes to learning and capacity building as well as validating the Bank's ratings of

project effectiveness.

Comments:

o   Bob reported on a meeting held last week with Joe Wood
and Prem Garg along with several OED managers. There was
support for a multi-functional task force to work on assessing
the current situation, developing goals for a more streamlined
and valid process, and coming up with proposals that can be
tested in the Bank.

o   Roger will take on the task of developing draft Terms of
Reference for this Bankwide group and for recommending
participants for this work group.

DISTRIBUTION:

TO:	ROBERT PICCIOTTO	(ROBERT PICCIOTTO@A1@WBWASH)
TO:	PER OYVIND BASTOE	(PER OYVIND BASTOE@A1@WBWASH)
TO:	Jayati Datta-Mitra	(JAYATI DATTA-MITRA@A1@WBHQB)
TO:	CHRISTOPHER GIBBS	(CGIBBS@WorldBank.org@INTERNET)
TO:	PABLO GUERRERO	(PABLO GUERRERO@A1@WBWASH)
TO:	Andres Liebenthal	(ANDRES LIEBENTHAL@A1@WBHQB)
TO:	LINDA MORRA	(LMORRA@WorldBank.org@INTERNET)
TO:	Roger Slade	(ROGER SLADE@A1@WBHQB)
CC:	ELIZABETH MCALLISTER	(EMCALLISTER1@WorldBank.org@INTERNET)

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 24, 1997 12:00pm EDT

  TO: See Distribution Below

FROM: Robert Van Der Lugt, OEDST   (ROBERT VAN DER LUGT@A1@WBHQB)

EXT.:   31740

SUBJECT: ICR Reviews - ICR Backlog

For our discussion this afternoon. As I have indicated earlier
it seems even more important that we deal with immediate
processing issues and dealy some of the more profound ICR
review changes untill later (January 1998/July 1998).

It seems that we have a large number of ICRs that have to be
reviewed. It is rumored that Mr. Picciotto wants this work to
be done quickly. What I do not understand is why the DGO can
not explain the reasons for this sudden rush to this own
evaluators. I would have thought that the change management
process in OED had pointed to the need to be more open and
transparent about work programming.

My problem is twofold: <u>first</u>, there is no explanation as to
why the ICR review process needs to be changed and
accelerated, and <u>second</u> why should OED be held accountable, or
pay the price, for the bunching of ICRs at the end of the
fiscal year? Is self-evaluation now the driving force that
determines independent evaluation?

Back to the numbers: If there are 180 ICRs to be reviewed,
there are probably 150 in OEDST. If the coefficients are valid
that means 150 staff weeks. There are 30 evaluators in OEDST,
so the mathematics make this 5 ICR reviews per OEDST staff
member. However, some of them are on leave; some of them are
working on studies (should we postpone the NGO study for ICR
reviews?); some of us are preparing for audits in the fall and
our OEDST principles require a "dirty" white cover before we
leave (should we delay our audit program to accelerate the ICR
reviews?). Even if half the OEDST staff could be assigned to
ICR reviews for the next few months (and given the attitude
towards ICR reviews there would be a substantial emotional
expense), it still would take ten solid uninterrupted weeks to
clear the backlog (that is just to do the OED work and does
not take into account the time needed for review with the
regions). Can we please be realistic about this exercise!!!!

As a practical solution I would suggest that we appoint a
task team to deal with the ICR backlog (and make it clear that
we had to do this exceptional exercise because of the bunching

- of course it might have to be repeated next August/September again). The task team would work closely together and would consist of about up to ten OEDST staff, two of which would be the ICR reviewers for the acting manager (and hence would test the suggested ICR review panel approach). In addition we would recruit a number of consultants (with substantial Bank and OED experience) to help us in the ICR review process. The job of the OED staff would be to facilitate their review by organizing that everything is available before their arrival. If we approach it that way I think we can solve the problem this year, but it might not imply that we have solved the underlying structural bunching problem that will reappear year after year. In the end we simply can not deal with summer holidays and large numbers of ICR reviews at the same time.

R.J.

DISTRIBUTION:
TO:	CHRISTOPHER GIBBS	(CGIBBS@WorldBank.org@INTERNET)
TO:	HELEN ABADZI	(HELEN ABADZI@A1@WBHQB)
TO:	SUSAN STOUT	(SSTOUT@WORLDBANK.ORG@INTERNET)
TO:	JULIAN BLACKWOOD	(ABLACKWOOD@WorldBank.org@INTERN
TO:	HERNAN LEVY	(HERNAN LEVY@A1@WBHQB)
TO:	MELODY MASON	(MELODY MASON@A1@WBWASH)
TO:	GIANNI ZANINI	(GIANNI ZANINI@A1@WBWASH)
TO:	ALICE GALENSON	(ALICE GALENSON@A1@WBHQB)
TO:	JOSETTE MURPHY	(JMURPHY2@WORLDBANK.ORG@INTERNET
TO:	JAYATI DATTA-MITRA	(JAYATI DATTA-MITRA@A1@WBHQB)
TO:	PATRICK G. GRASSO	(PATRICK G. GRASSO@A1@WBWASH)
TO:	BILL BATTAILE	(BILL BATTAILE@A1@WBWASH)
TO:	JACINTHA WIJESINGHE	(JACINTHA WIJESINGHE@A1@WBWASH)
TO:	ADALA BRUCE-KONUAH	(ADALA BRUCE-KONUAH@A1@WBHQB)
TO:	CONSTANCE FRYE	(CFRYE@WorldBank.org@INTERNET)
TO:	ANDRES LIEBENTHAL	(ANDRES LIEBENTHAL@A1@WBHQB)
TO:	JOHN ENGLISH	(JOHN ENGLISH@A1@WBWASH)
CC:	Roger Slade	(ROGER SLADE@A1@WBHQB)
CC:	ROBERT PICCIOTTO	(ROBERT PICCIOTTO@A1@WBWASH)
CC:	OEDD1 FILES	(OEDD1 FILES@A1@WBWASH)

OFFICE MEMORANDUM

DATE: July 23, 1997

TO: D. Joseph Wood

FROM: Robert Picciotto, DGO

EXTENSION: 84569

SUBJECT: **Forward Looking ICRs**

Ten implementation completion reports in the most recent cohort (listed in the attachment) stand out as examples of how "Future Operational Plans" elaborated in the context of an ICR can help ensure sustainability of project benefits.

Attachment

cc: Mmes./Messrs. Koch-Weser, Kaji, Salop, Garg, Slade, Guerrero, Liebenthal , Morra

DGO Request regarding operational plans

OEDID	Country	Comments from Evaluative Memorandum
C1965	Uganda	Forwarding looking op'l plan helped to improve the policy content of subsequent Bank ops.
L3508	Thailand	Section of future ops is particularly good in that it discusses the specific areas where the Bank is focusing its follow-up supervision activities in the context of the follow-up loan.
C2000	Bangladesh	ICR identifies policy areas that should be emphasized in follow-up operations.
C2281	Burkina Faso	Discusses major future actions needed and planned Bank assistance to sustain and enhance the program's benefits.
L2528	Nigeria	Plan is strong, with specific target dates for the preparation of programs for preventive maintenance, control of unaccounted-for water, and a plan for tariff increases and efficiencies.
L2536	Turkey	Provides detailed set of actions govt plans to carry out in order to overcome project weaknesses.
L2556	Pakistan	ICR includes a clear & concise detailed op plan for the project; can be considered best practice.
L2562	Egypt	The borrower has prepared a detailed program to operate and maintain the constructed facilities.
L2716	Philippines	Contains a good discussion of the issues involved in the project's future op.
L2911	Tunisia	Forward-looking discussion of ways to deal with problems banks encountered - future ops?

DGO Request regarding operational plans ('96 cohort)

OEDID	Country	Comments from Evaluative Memorandum
C1965	Uganda	Forwarding looking op'l plan helped to improve the policy content of subsequent Bank ops.
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Bob —
We're still take a look
at the ICRo when they
come in Andw

July 17, 1997

To: Bob Picciotto ✓
    Chris Gibbs
    Andres Liebenthal
    Pablo Guerrero
    Roger Slade
    Per Bastoe

cc: Elizabeth McAllister
    Jayati Datta-Mittra

From: Harvey Thomson

Subject: Notes from meeting on ICR Review cycle time reduction

These notes summarize the discussion from a meeting called by Bob Picciotto to discuss steps that can be taken to reduce cycle times and eliminate the backlog in ICR Reviews. (Note the assignments at the end of this memo.)

Background

Bob underscored the absolute importance of reducing the cycle time and eliminating the backlog of ICR Reviews. Real time evaluation data is critical both to demonstrating progress by the Bank in increasing the developmental impact of its lending operations and to maximizing the educational value of this information in the design of new projects. The demand for timely evaluation information has escalated because of the Bank's strategic compact with the Board and because of the emergence of QAG as a client for this information.

These developments create a sense of urgency to reduce the cycle time and eliminate the backlog of ICR Reviews. While some of the steps are outside OED's control, the fact is that OED is part of a cycle that lasts anywhere from 22 to 33 months between the close of a project and the time individual project evaluation data is usable in a data base. It is usually a few months beyond that when any analysis of aggregations of ICRs appears in an Annual Review or Annual Report.

Analysis of the Process

The first part of the meeting was devoted to analysing the process of ICR reviews, determining roughly the amount of time it takes for each step in the process, and understanding some of the causes for delay.

Note: The analysis that follows was done quickly to get a sense of the magnitude of the problem and potential opportunities for

improvement.   Actual work on reducing cycle time will require a
more comprehensive and systematic analysis of the process.

Step 1:   Completion of ICR by a task manager in a region.

          Lapsed time: Approximately 11 months on average.

Step 2:   Completion of Review by OED (EVM, PIF, and letter to
          Country Director)

          Lapsed time: Approximately 3 months

          Sub-Steps: Drafting of EVM by evaluator

               Lapsed time: 2 months (3 days writing time)

                    Iterative review process with manager and
                    with region

               Lapsed time: 1 month

                    Sign off by DGO

               Lapsed time: ?

Step 3:   Post OED clearance in Region

          Lapsed time: 3 months

Step 4:   Entering of PIF into data base
          (from time PIF is posted to the time the data is usable
          within the data base)

          Lapsed time: 6 weeks (includes queuing and validation)

Step 5:   Analysis of data and preparation of Annual Review /
          Annual Report.

          Lapsed time: Approximately 2-3 months.

The impact of these delays means that an Annual review prepared
in November of this year (1997) encompasses ICR Review data up
through calander year 1996 (an 11 month lag), which reflects
projects that closed no later than the end of calendar year 1995.

Causes of the Delay

Note: The group focused on delays within OED. Bob expressed the
belief that OED needs to get its own house in order to build the

credibility to work with the regions to shorten the end-to-end cycle time.

1. Peak loads

The bulk of the ICRs come into OED toward the end of each fiscal year -- at the end of the calendar year and the end of the fiscal year. OED completes ICR Reviews on a biannual cycle as well. The numbers for FY96 are as follows:

	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Inflow (ICRs)	15	19	68	172
Outflow (Reviews)	8	142	16	147

2. Other priorities

The first quarter of the fy includes leave time and completion of various studies; the third quarter is often devoted to missions needed for studies. Some staff do not view it as a priority. It goes to the bottom of the list. Management may also be signalling that it is not a priority.

3. Recycling of reviews

Drafts of reviews go through too many cycles and rewrites. This could be both part of the culture and a problem of quality of thinking and writing on the part of some staff.

4. Database bottleneck

When PIFs are posted, they go into a queue. There is a further validation cycle at this stage causing a 6 week lag in getting the results into the data base. (Is there a further time lag before they become accessible?) There are resource constraints at this stage as well.

The Purpose of ICR Evaluations

Before turning to how to reduce the cycle time, the group discussed the purpose served by the reviews. ICR reviews are the cornerstone of the strategy for evaluating the Bank's effectiveness.   They are used to:

    -validate ICR ratings by the task managers
    -derive lessons that can be applied in future operations
    -provide knowledge that can be shared with clients and with
     development partners

4

-assess the quality of the ICR process

It was concluded that the review process is critically important, but that its value is diminished by the time lag. The question of whether the review process is the best vehicle, or whether the end-to-end process is the best way to accomplish these objectives was deferred to the broader Bankwide exercise to be undertaken with Joe Wood, et al.

Goals for the Improvement Effort

The group agreed to a hierarchy of goals for cycle time reduction.

1.   The short term (or breakthrough goal) is to incorporate into the November Annual Review all of the ICRs completed by the end of FY97, i.e. last month, rather than be satisfied with including those that were completed in Calendar Year 96. This means eliminating the current inventory of ICRs (approximately 200) within a few months.

2. Design, for implementation beginning January 1, an ICR Review process that will achieve an average lapsed time of two months from the time the ICR is received to the time it is usable in the data base. (Or is the target that 80 % of the ICRs will achieve this standard?) The work that Chris Gibbs is doing on an ICR panel would be part of this initiative.

3. Achieve an end-to-end cycle time of 3 months by working with Joe Wood, et al on a more dramatic redesign of the process. Note: This initiative might change the nature of the product as well as the process.

Next Steps

Each of these three goals was assigned to one person to sponsor:

    Andres: FY97 ICRs in the Annual Review
    Roger: Two month cycle by January
    Bob: End-to-end improvement

In Andres' case, he will be the project leader as well as sponsor. Roger will be the sponsor for the second project, but will appoint a project leader to lead a team. In Bob's case, the project leader may in fact be Joe Wood or someone he designates. Bob and Joe might be co-sponsors.

Andres, Roger, and Bob will come back to the next meeting of the group (tentatively next Wednesday, July 23, at 4:30) with a plan for how they are going to structure the project, including the resources they intend to put to the tasks.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 17, 1997 09:22am

  TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: D. Joseph Wood, DEU   (JOE WOOD@A1@WBHQB)

EXT.:   81429

SUBJECT: RE: Completion Reporting

By all means, let's include Bill.

It would be helpful -on Tuesday- to see if we can agree on the
principal learning opportunities arising from completion
reporting. Jim does not question the proposition that supervision
(more generally, M&E at the project level) can and should produce
feedback that stimulates adaptive behavior. But he expects the
bulk of this feedback/adaptation to occur much earlier in the
project life.

Hence a few examples of learning opportunities arising from
completion reporting (either ICR or project audit) that could not
have been sensibly exploited through earlier supervision would be
very useful.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 17, 1997 09:29am

   TO: Linda Morra   (LINDA MORRA)

 FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO)

 EXT.:   84569

SUBJECT: Re: attached

        Linda/

        Would you take a look at the last cohort and identify a few cases
        where the forward looking plan was good and led to "adaptive
        behavior" which might not have been secured through earlier
        feedback ?

        Bob

   CC: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
   CC: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL @A1@WBHQB)
   CC: Pablo Guerrero   (PABLO GUERRERO)
   CC: DGO Files   (DGO FILES)

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 17, 1997 09:22am EDT

  TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: D. Joseph Wood, DEU   (JOE WOOD@A1@WBHQB)

EXT.:   81429

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principal learning opportunities arising from completion
reporting. Jim does not question the proposition that supervision
(more generally, M&E at the project level) can and should produce
feedback that stimulates adaptive behavior. But he expects the
bulk of this feedback/adaptation to occur much earlier in the
project life.

Hence a few examples of learning opportunities arising from
completion reporting (either ICR or project audit) that could not
have been sensibly exploited through earlier supervision would be
very useful.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 16, 1997 06:24pm

TO: Robert Picciotto   (ROBERT PICCIOTTO)

FROM: Pablo Guerrero, DGO   (PABLO GUERRERO)

EXT.: 31717

SUBJECT: RE: Joe's Response

Bob,

        It's clear that Joanne got to him with her idea about
selective ICRs. How will staff accountability -a Wolfensohn aim-
be strengthened in the Bank while weakening through selectivity
the most systematic accountability instrument available?

        The only credible route is to enhance the multipurpose role
of ICRs by strengthening their quality and timeliness, and
thereby their usefulness.

P.S. I met Hans Wyss in the street today. He is flabbergasted
about the increasing lack of paper trail and evidence supporting
Bank decisions, e.g. during supervision. I mentioned the ICR
selectivity issue and he could not believe this could be
seriously considered.

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The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

   DATE:   July 16, 1997 06:23pm

     TO:   Robert Picciotto              ( ROBERT PICCIOTTO@A1@WBWASH )

   FROM:   Roger Slade, OEDST            ( ROGER SLADE@A1@WBHQB )

   EXT.:   81293

SUBJECT:   RE: Joe's Response


           Not hot, not cold, but tepid.
```

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 16, 1997 06:06pm

  TO: See Distribution Below

FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO)

EXT.:   84569

SUBJECT: Joe's Response

        DISTRIBUTION:
  TO: Remote Addressee   (ejm@sympatico.ca@internet)
  TO: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
  TO: Pablo Guerrero   (PABLO GUERRERO)
  TO: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL @A1@WBHQB)
  CC: DGO Files   (DGO FILES)

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 16, 1997 06:01pm EDT

   TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: D. Joseph Wood, DEU   (JOE WOOD@A1@WBHQB)

EXT.:   81429

SUBJECT: RE: Completion Reporting

        Thanks for this. I hope we can find a way to approach this
issue that takes the learning and accountability goals as a
starting point. We need to re-examine just what these goals mean
in practical terms. Then we can consider if there is some beter
way of achieving these goals, using more discriminating
approaches to both tail-end supervision and ICRs.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 16, 1997 06:01pm

  TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: D. Joseph Wood, DEU   (JOE WOOD@A1@WBHQB)

EXT.: 81429

SUBJECT: RE: Completion Reporting

        Thanks for this. I hope we can find a way to approach this
issue that takes the learning and accountability goals as a
starting point. We need to re-examine just what these goals mean
in practical terms. Then we can consider if there is some beter
way of achieving these goals, using more discriminating
approaches to both tail-end supervision and ICRs.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 16, 1997 05:47pm

TO: JOE WOOD   (JOE WOOD @A1@WBHQB)

FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: <u>Completion Reporting</u>

Joe/

I am delighted you are taking an interest in the above subject.

The attached encapsulates OED's perspective and proposes the set
up of a working group to deal with it.

We would like to participate in the group as we are doing work
within OED to improve the timeliness and usefulness of our own
reviews.

At the QAG meeting, Mr Wolfensohn expressed considerable interest
in completion reporting. It would be good to report to the
President that work is underway to put a revised system in place
before the end of the fiscal year.

Bob

CC: Prem Garg   (PREM GARG)
CC: Joanne Salop   (JOANNE SALOP)
CC: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
CC: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL @A1@WBHQB)
CC: Pablo Guerrero   (PABLO GUERRERO)
CC: Remote Addressee   (ejm@sympatico.ca@internet)
CC: DGO Files   (DGO FILES)

BANKWIDE COMPLETION REPORTING REVIEW GROUP

DRAFT TERMS OF REFERENCE

In order to achieve a "real time" evaluation system and contribute to operational efficiency and development effectiveness, Regional completion reporting practices need to be reformed.

To this end, a Bankwide working group (comprising Regional and Network staff as well as OPS, QAG and OED representatives) will be assembled to probe the lack of Regional "ownership" of ICRs; to assess the reasons of inadequate compliance with current guidelines and to make recommendations for a more efficient, effective and timely ICR process.

Purpose of ICRs

Current guidelines (OP/BP/GP 13.55) emphasize the following objectives :

(i) accountability reporting : a review of actual and expected results vs achievements (including self evaluation ratings) is due to the Board within six months of the closing date;

(ii) organizational learning : relevant lessons of experience are expected to be drawn;

(iii) contribution to sustainability : an action plan for the operational phase including impact indicators is to be agreed with the borrower and an aide memoire of the Bank mission included in the ICR.

(iv) involvement of partners : the borrower as well as cofinanciers are expected to contribute to the ICR.

Value Added

Despite the self evident development benefits associated with the abover fICR objectives, the cost of ICRs (about 3% of lending costs) is widely considered burdensome by operational managers and staff.

Evidently, they do not view the ICR process as meeting its stated objectives. They argue for a simpler, less formal process, a more selective approach possibly involving sampling, a variable scope tailored to the learning potential of individual cases, more effective dissemination arrangements, etc.

In brief, the current ICR system is not "owned" by Regional managers. Few ICRs are produced by regular staff. Even fewer involve senior staff. The attention given to ICRs by senior managers is limited.

Quality of ICRs

A recent report by OED (1996 Evaluation Results and Issues) evaluates the quality of 279 completion reports (including 17 completion notes). The review concludes that 85% of the ICRs are broadly satisfactory in terms of the retrospective analysis they contain and the lessons they draw.

However, only 43% of the ICRs contain adequate economic analyses. This is linked to the deep seated weaknesses of monitoring and evaluation arrangements in Bank financed operations.

Timeliness

Under existing procedures, completion reports must be delivered to the Board 6 months after the loan/credit is fully disbursed or earlier. In practice, completion reports are frequently overdue and the average elapsed time has been over 10 months.

About half of ICRs are delivered in the last month of the fiscal year. The high seasonal peak (coinciding with summer vacations) complicates OED's processing. Backlogs have been chronic. To help reduce their incidence, periodic senior management involvement has been necessary.

Thus, ICRs are managed as "residual" products. A vicious circle ensues. The usefulness of ICRs is reduced by the long production delays. Conversely, lack of utilization keeps the perceived cost of delays at low levels.

Ultimately, this is because ICRs are viewed as "add ons" rather than as useful operational instruments geared to getting results on the ground and/or organizational learning. This contrasts with the IFC practice of holding Investment Committee meetings for all Implementation Assessment Reports (IARs).

Involvement of Partners

Only 74% of the ICRs contain borrowers' contributions and they are often superficial. This reflects evaluation capacity weaknesses in borrowing countries. Only 15% of the cofinanced projects include cofinanciers' comments. Upfront involvement by cofinanciers in the completion reporting process is almost never attempted.

Forward Looking Action Plans

An adequate aide memoire is produced in only 56% of the cases. No more than 50% reflect the existence of a plan for future operations and, of these, less than half display adequate impact monitoring arrangements and indicators. This makes impact evaluations extremely costly to carry out.

Link to Knowledge Management

Interesting lessons are often drawn in ICRs and picked up by OED as part of the completion review process. Major findings are included in OED's evaluation text base. However, no Bankwide system exists to screen, validate and classify lessons of experience in a user friendly fashion.

Scope of Review

The aim of the working group should be to design a revamped completion reporting process with the following specifications :

    (i) reduced elapsed times, e.g. self evaluation ratings available within a month of credit closing;

    (ii) improved quality, especially with respect to monitoring and evaluation arrangements;

    (iii) full borrower and cofinancier involvement;

    (iv) clearcut forward looking action plan in every case;

    (v) real time connectivity to Bankwide knowledge management system.

The working group should carry out its work so as to achieve Regional management "buy in" for its recommendations. The new system should be up and running by the end of FY98. Its implementation should be budget neutral.

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 16, 1997 05:03pm

  TO: Robert Picciotto   (ROBERT PICCIOTTO@A1@WBWASH)

FROM: Andres Liebenthal, OEDD3   (ANDRES LIEBENTHAL@A1@WBHQB)

EXT.:   82507

SUBJECT: RE: Completion Reporting

It's a good draft. You may want to mention that OED, has already
begun an effort to improve the timeliness and user-friendliness of its
part of the process.
Regards, Andres

A L L - I N - 1   N O T E

   DATE: 16-Jul-1997 10:04am

    TO: Robert Picciotto   (rpicciotto@worldbank.org@INTERNET)

  FROM: Elizabeth McAllister,   (ejm@sympatico.ca@INTERNET)

   EXT.:

SUBJECT: Re: Completion Reporting

Bob:

     Having stated our "givens", are there "opens" that would
demonstrate our understanding of the interests of the regions? For
example, should we address the sampling issue?

Elizabeth

obert Picciotto wrote:
>
>   On reflection, let us separate the external and the internal
>   system issues. Attached is a draft TOR for the external ICR
>   working group which I would like to send to Joe Wood, Joanne
>   Salop and Prem Garg -- after we have discussed it and we are all
>   happy with it.
>
>   ---
>
>
>
>   BANKWIDE COMPLETION REPORTING REVIEW GROUP
>
>   DRAFT TERMS OF REFERENCE
>
>
>   In order to achieve a "real time" evaluation system and
>   contribute to operational efficiency and development
>   effectiveness, Regional completion reporting practices need to
>   be reformed.
>
>   Overview
>
>   There is considerable evidence that the ICR system is not "owned"
>   by Regional managers. Few ICRs are produced by regular staff.
>   Even fewer involve senior staff. The attention given to ICRs by

> senior managers is limited.
>
> ICRs are managed as "residual" products. Backlogs tend to build
> up. A vicious circle ensues. The usefulness of ICRs is reduced by
> the long production delays. And the lack of utilization
> contributes to the delays
>
> Ultimately, this is because ICRs are viewed as "add ons" rather
> than as important operational instruments geared to getting
> results on the ground and/or to organizational learning.
>
> Since ICRs constitue the lynchpin of the evaluation system, the
> lack of Regional ownership of the ICR system tends to spread to
> all evaluation products.
>
> Value Added by ICRs
>
> Current guidelines (OP/BP/GP 13.55) emphasize the following
> objectives :
>
> (i) accountability reporting : a review of actual and expected
> results vs achievements (including self evaluation ratings) is
> due to the Board within six months of the closing date;
>
> (ii) organizational learning : relevant lessons of experience are
> expected to be drawn;
>
> (iii) contribution to sustainability : an action plan for the
> operational phase including impact indicators is to be agreed
> with the borrower and an aide memoire of the Bank mission
> included in the ICR.
>
> (iv) involvement of partners : the borrower as well as
> cofinanciers are expected to contribute to the ICR.
>
> Given the self evident development benefits associated with these
> objectives, it is paradoxical that the cost of ICRs (about 3% of
> lending costs) should be considered burdensome. Evidently,
> Regional managers do not view the ICR process as meeting its
> stated objectives.
>
> Quality of ICRs
>
> A recent report by OED (1996 Evaluation Results and Issues)
> evaluates the quality of 279 completion reports (including 17
> completion notes).
>
> The review concludes that 85% of the ICRs are broadly
> satisfactory in terms of the retrospective analysis they contain
> and the lessons they draw. However, only 43% of the ICRs contain
> adequate economic analyses.
>
> Timeliness
>

Under existing procedures, completion reports must be delivered
to the Board 6 months after the loan/credit is fully disbursed or
earlier. In practice, completion reports are frequently overdue.
Backlogs have been chronic and have required periodic senior
management involvement to be reduced.

About half of ICRs are delivered in the last month of the fiscal
year. The high seasonal peak (coinciding with summer vacations)
complicates OED's review, thus adding to elapsed times.

Involvement of Partners

Only 74% of the ICRs contain borrowers' contributions and they
are generally weak. Only 15% of the cofinanced projects include
cofinanciers' comments.

Forward Looking Action Plans

An adequate aide memoire is produced in only 56% of the
cases. No more than 50% reflect the existence of a plan for
future operations and, of these, less than half display adequate
impact monitoring arrangements.

Link to Knowledge Management

While OED does record all its findings in the evaluation text
base, no system exists to screen, validate and classify lessons
of experience in a user friendly fashion.

Scope of Work

A Bankwide working group should be assembled to assess the
reasons of inadequate compliance with the ICR guidelines; to
probe the lack of Regional ownership of ICRs; and to make
recommendations for a more effective and timely process.

The aim of the working group should be to design a revamped
completion reporting process with the following specifications :

        (i) reduced elapsed times, e.g. self evaluation ratings
            available within a month of credit closing;

        (ii) full borrower and cofinancier involvement;

        (iii) clearcut forward looking action plan in every case;

        (iv) real time connectivity to Bankwide knowledge
             management system.

The new system should be up and running by the end of FY98. Its
implementation should be budget neutral.

The working group should carry out its work so as to achieve
Regional management "buy in" for its recommendations.

July 17, 1997

To: Bob Picciotto ✓
           Chris Gibbs
           Andres Liebenthal
           Pablo Guerrero
           Roger Slade
           Per Bastoe

cc: Elizabeth McAllister
           Jayati Datta-Mittra

From: Harvey Thomson

Subject: Notes from meeting on ICR Review cycle time reduction

These notes summarize the discussion from a meeting called by Bob Picciotto to discuss steps that can be taken to reduce cycle times and eliminate the backlog in ICR Reviews. (Note the assignments at the end of this memo.)

Background

Bob underscored the absolute importance of reducing the cycle time and eliminating the backlog of ICR Reviews. Real time evaluation data is critical both to demonstrating progress by the Bank in increasing the developmental impact of its lending operations and to maximizing the educational value of this information in the design of new projects. The demand for timely evaluation information has escalated because of the Bank's strategic compact with the Board and because of the emergence of QAG as a client for this information.

These developments create a sense of urgency to reduce the cycle time and eliminate the backlog of ICR Reviews. While some of the steps are outside OED's control, the fact is that OED is part of a cycle that lasts anywhere from 22 to 33 months between the close of a project and the time individual project evaluation data is usable in a data base. It is usually a few months beyond that when any analysis of aggregations of ICRs appears in an Annual Review or Annual Report.

Analysis of the Process

The first part of the meeting was devoted to analysing the process of ICR reviews, determining roughly the amount of time it takes for each step in the process, and understanding some of the causes for delay.

Note: The analysis that follows was done quickly to get a sense of the magnitude of the problem and potential opportunities for

2

improvement. Actual work on reducing cycle time will require a more comprehensive and systematic analysis of the process.

Step 1:   Completion of ICR by a task manager in a region.

Lapsed time: Approximately 11 months on average.

Step 2:   Completion of Review by OED (EVM, PIF, and letter to Country Director)

Lapsed time: Approximately 3 months

Sub-Steps: Drafting of EVM by evaluator

Lapsed time: 2 months (3 days writing time)

Iterative review process with manager and with region

Lapsed time: 1 month

Sign off by DGO

Lapsed time: ?

Step 3:   Post OED clearance in Region

Lapsed time: 3 months

Step 4:   Entering of PIF into data base
(from time PIF is posted to the time the data is usable within the data base)

Lapsed time: 6 weeks (includes queuing and validation)

Step 5:   Analysis of data and preparation of Annual Review / Annual Report.

Lapsed time: Approximately 2-3 months.

The impact of these delays means that an Annual review prepared in November of this year (1997) encompasses ICR Review data up through calander year 1996 (an 11 month lag), which reflects projects that closed no later than the end of calendar year 1995.

Causes of the Delay

Note: The group focused on delays within OED. Bob expressed the belief that OED needs to get its own house in order to build the

3

credibility to work with the regions to shorten the end-to-end cycle time.

1. Peak loads

The bulk of the ICRs come into OED toward the end of each fiscal year -- at the end of the calendar year and the end of the fiscal year. OED completes ICR Reviews on a biannual cycle as well. The numbers for FY96 are as follows:

	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Inflow (ICRs)	15	19	68	172
Outflow (Reviews)	8	142	16	147

2. Other priorities

The first quarter of the fy includes leave time and completion of various studies; the third quarter is often devoted to missions needed for studies. Some staff do not view it as a priority. It goes to the bottom of the list. Management may also be signalling that it is not a priority.

3. Recycling of reviews

Drafts of reviews go through too many cycles and rewrites. This could be both part of the culture and a problem of quality of thinking and writing on the part of some staff.

4. Database bottleneck

When PIFs are posted, they go into a queue. There is a further validation cycle at this stage causing a 6 week lag in getting the results into the data base. (Is there a further time lag before they become accessible?) There are resource constraints at this stage as well.

The Purpose of ICR Evaluations

Before turning to how to reduce the cycle time, the group discussed the purpose served by the reviews. ICR reviews are the cornerstone of the strategy for evaluating the Bank's effectiveness. They are used to:

    -validate ICR ratings by the task managers
    -derive lessons that can be applied in future operations
    -provide knowledge that can be shared with clients and with
     development partners

4

-assess the quality of the ICR process

It was concluded that the review process is critically important, but that its value is diminished by the time lag. The question of whether the review process is the best vehicle, or whether the end-to-end process is the best way to accomplish these objectives was deferred to the broader Bankwide exercise to be undertaken with Joe Wood, et al.

Goals for the Improvement Effort

The group agreed to a hierarchy of goals for cycle time reduction.

1. The short term (or breakthrough goal) is to incorporate into the November Annual Review all of the ICRs completed by the end of FY97, i.e. last month, rather than be satisfied with including those that were completed in Calendar Year 96. This means eliminating the current inventory of ICRs (approximately 200) within a few months.

2. Design, for implementation beginning January 1, an ICR Review process that will achieve an average lapsed time of two months from the time the ICR is received to the time it is usable in the data base. (Or is the target that 80 % of the ICRs will achieve this standard?) The work that Chris Gibbs is doing on an ICR panel would be part of this initiative.

3. Achieve an end-to-end cycle time of 3 months by working with Joe Wood, et al on a more dramatic redesign of the process. Note: This initiative might change the nature of the product as well as the process.

Next Steps

Each of these three goals was assigned to one person to sponsor:

      Andres: FY97 ICRs in the Annual Review
      Roger: Two month cycle by January
      Bob: End-to-end improvement

In Andres' case, he will be the project leader as well as sponsor. Roger will be the sponsor for the second project, but will appoint a project leader to lead a team. In Bob's case, the project leader may in fact be Joe Wood or someone he designates. Bob and Joe might be co-sponsors.

Andres, Roger, and Bob will come back to the next meeting of the group (tentatively next Wednesday, July 23, at 4:30) with a plan for how they are going to structure the project, including the resources they intend to put to the tasks.

L/C No.	Ctry	Project Description	PCR Rec'd	TASK MANAGER	To Supervisor
C1870	BAN	Small Scale Flood Control 2	10/10/96	PITMAN	3/12/97
C2300	IND	Child Survival and Safe Motherhood	3/05/97	STOUT	5/12/97
L3072	BRA	Amazon Basin Malaria Control	4/14/97	GAURI	6/03/97
C2050	TAN	Cashew & Coconut Treecrops	3/07/97	MEERMAN	6/09/97
C1904	KEN	Population 3	4/24/97	STOUT	6/20/97
C1952	IND	National Seeds 3	5/06/97	BLACKWOOD	7/21/97
C2345	GHA	Agric. Sector Adj.	5/02/97	HEATH	7/21/97
L2667	CLM	Irrigation Rehabilitation 2	5/16/97	PITMAN	7/21/97
L2760	NIR	Forestry 2	5/01/97	ENGLISH	7/21/97
L3256	COB	Natl Agricultural Extension	5/15/97	GAUTAM	7/21/97
C1936	PAK	National Oilseed Development	5/28/97	BLACKWOOD	8/08/97
C2123	BUI	Coffee Sector	5/21/97	ENGLISH	8/08/97
C2172	CHA	Mid-Yangtze Agricultural Development	5/27/97	GIBBS	8/08/97
L2776	TUR	Non-Formal Vocational Training	5/21/97	ABADZI	8/08/97
L2954	MYC	Small & Med. Scale Irr 2	5/22/97	PITMAN	8/08/97
L3000	INS	Tree Crop Processing	5/23/97	HEATH	8/08/97
L3112	INS	Public Works Inst. Dev.	5/23/97	ABADZI	8/08/97
L3054	TUN	Education & Training Sector	5/22/97	ABADZI	8/18/97
C1631	IND	Nat. Agricultural Res. 2	5/28/97	ANDERSON	9/12/97
C2107	SEN	Agricultural Research 2	5/27/97	ANDERSON	9/12/97
L2931	BRA	Northeast Disease Control	6/17/97	GAURI	9/26/97
L3272	MXC	Basic Health Care	6/12/97	RANEY	9/26/97
C1621	IND	Maharashtra Composite Irrig.	6/17/97	PITMAN	9/27/97
C1855	SEN	Irrigation 4	6/03/97	PITMAN	9/27/97
C2093	MTA	Ag. Sector Adj. & Investment	6/27/97	MEERMAN	9/27/97
C2245	PAK	On-Farm Water Management 3	6/04/97	BLACKWOOD	9/27/97
L2679	BRA	Agricultural Extension 2	6/16/97	GAUTAM	9/27/97
L2718	BRA	Northeast Rural Deve. 5	6/25/97	VAN DER LUGT	9/27/97
L2860	BRA	Northeast Rural Development - Paraiba	6/25/97	VAN DER LUGT	9/27/97
L2959	BEZ	Agri. Credit & Export Deve.	6/12/97	BLACKWOOD	9/27/97
L3298	INS	Population 5 (Family Planng)	6/27/97	EVANS	9/27/97
L3486	ROM	Private Farmer and Enterprise Support	6/23/97	MEERMAN	9/27/97
C1670	PAK	Vocational Training 2	6/24/97	MURPHY	9/30/97
C1776	SRI	Agricultural Research	6/12/97	GAUTAM	9/30/97
C1821	PAK	Primary Education 3	6/30/97	ABADZI	9/30/97
C1854	GHA	Cocoa Rehabilitation	6/30/97	ENGLISH	9/30/97
C1896	BUR	Agricultural Research	6/30/97	ANDERSON	9/30/97
C1980	STV	Agricultural Rehab & Diversification	6/09/97	BLACKWOOD	9/30/97
C2026	RWA	Agricultural Services	6/17/97	MURPHY	9/30/97
C2035	NIR	Multi-State Agri. Deve. 3	6/26/97	BLACKWOOD	9/30/97
C2043	SRI	Forest Sector Development	6/17/97	KUMAR	9/30/97
C2068	GUI	Forestry And Fisheries Mgmt.	6/19/97	MURPHY	9/30/97
C2072	SRI	General Education	6/09/97	ABADZI	9/30/97
C2114	CHA	Vocational & Technical Educ.	6/25/97	EVANS	9/30/97
C2118	BAN	General Education	6/19/97	ABADZI	9/30/97
C2139	NIR	Fed. Univ. Development	6/09/97	EVANS	9/30/97
C2146	BAN	Fisheries 3	6/13/97	VAN DER LUGT	9/30/97
C2190	UAN	Agric. Sector Adj.	6/30/97	HEATH	9/30/97
C2211	TOG	Health & Pop. Sector Adj.	6/30/97	JOHNSTON	9/30/97
C2282	BUR	Public Works & Employment	6/02/97	VAN DER LUGT	9/30/97

L/C No.	Ctry	Project Description	PCR Rec'd	TASK MANAGER	To Supervisor
C2545	GUY	Sugar Industry Restructuring & Privatization	6/09/97	BLACKWOOD	9/30/97
C2673	MLI	Education Sector Adjustment	6/24/97	DOVE	9/30/97
L2912	CAM	Cocoa Rehabilitation	6/26/97	ENGLISH	9/30/97
L2930	INS	Forestry Inst.& Conservation	6/19/97	KUMAR	9/30/97
L3014	CAM	Livestock Sector Deve.	6/10/97	ENGLISH	9/30/97
L3026	MYC	Rural Primary Education	5/23/97	DOVE	9/30/97
L3130	BRA	Agric. Research 3	6/25/97	ANDERSON	9/30/97
L3250	CLM	Rural Development Investment	6/18/97	BLACKWOOD	9/30/97
L3516	KOR	Public Hospital Modernization	6/30/97	STOUT	9/30/97
L3536	MAY	Primary & Second.Education 3	6/30/97	MURPHY	9/30/97
C1912	CHD	National Livestock	6/30/97	BLACKWOOD	10/15/97
L3077	TUR	Agroindustry Project	6/30/97	BLACKWOOD	10/15/97
C1857	BUI	Muyinga Agricultural Deve.	6/30/97	BLACKWOOD	10/30/97
C1955	GUI	Ntl Research and Extension	6/30/97	GAUTAM	10/30/97
C2024	BUI	Agric. Services Sector	6/30/97	GIBBS	10/30/97
C2419	BUI	Agribusiness Promotion	6/30/97	GIBBS	10/30/97
L3111	JAM	Social Sector Development	6/30/97	MURPHY	10/30/97

Division : 2

L/C No.	Ctry	Project Description	PCR Rec'd	TASK MANAGER	To Supervisor
C1847	GHA	Public Enterprise	6/03/97		
C1872	CHD	Economic & Fin. Management	4/30/97		7/14/97
C1921	GHA	Mining Sector Rehabilitation	6/26/97		
C1971	CAR	Economic Mgt	6/27/97		
C2038	STP	Multisector Project	5/13/97	Johnson	8/27/97
C2165	STP	SAL 2	6/05/97		
C2314	UAN	SAL 1	6/26/97		
C2361	BAN	Public Resource Mgmt.	6/12/97		
C2384	MOZ	Economic Recovery	4/10/97	Johnson	8/20/97
C2491	KYR	Rehabilitation	6/02/97		
C2526	ETH	SAL 1	6/26/97		
C2550	KAM	Emergency Rehabilitation	6/12/97		
C2551	MNG	Economic Transition Support	6/05/97		
C2608	UAN	SAL 2	6/18/97		
C2639	KYR	Privatization and Enterprise	6/19/97		
C2657	VNM	Structural Adjustment	6/20/97		
C2721	FYM	FESAC	6/23/97		
C2773	AZE	Rehabilitation	6/02/97		
C2914	BOS	Transition Assistance	6/12/97		
L2839	PAK	Small Industries 3	6/30/97		
L2858	MXC	Small & Med Scale Industry 4	6/30/97		
L2868	COB	Public Enterprise Inst.Dev.	6/20/97		
L2916	MXC	Steel Sector Restructuring	6/09/97		
L2995	NIR	Private Small & Med Enter. Dev	6/27/97		
L3033	DOM	Industrial Free Zone Deve.	5/27/97	Johnson	8/29/97
L3067	TUR	Small & Med Scale Industry 2	6/30/97		
L3136	MYC	Industrial Finance (Nbed)	6/10/97		
L3153	TRI	Technical Assistance	6/30/97		
L3162	ECU	Small Scale Enterprise 4	6/30/97		
L3172	JOR	Integrated Phosphate	6/20/97		
L3187	YUG	Structural Adjustment 2	5/07/97	Galenson	8/15/97
L3288	CHA	Shanghai Industrial Dev.	5/20/97	Najmabadi	8/22/97

OED ID	Ctry	Project Description	PCR Rec'd	Lastname	Date to Board-1
Division : 2					
L3294	THL	Tax Computerization	6/25/97		
L3489	PER	Financial Sector Adj.	6/30/97		
L3599	POL	EFSAL	6/30/97		
L3636	SLO	Enter. & Fin. Sector Adj.	6/17/97		
L3640	BLS	Institution Building	5/22/97	Johnson	9/12/97
L3648	ESL	Technical Assistance	6/30/97		
L3660	BLS	Rehabilitation	5/22/97	Johnson	9/12/97
L3815	MOL	Structural Adjustment	5/30/97		
L3834	ALG	Economic Rehabilitation Supp	5/30/97		
L3934	PAP	Economic Recovery Program	6/20/97		
L3991	PAN	Debt & Debt Service Reduction	6/30/97		
Division : 3					
C1544	IND	Bombay Urban Development	6/16/97	Lee	9/16/97
C1704	ETH	Energy	6/30/97	Liebenthal	
C1750	IND	Bombay Water Supply and Sewerage 3	6/09/97	Skytta	9/05/97
C1756	HAI	Transport 7	4/16/97	Levy	7/08/97
C1771	DMC	Power	5/08/97	Liebenthal	7/15/97
C1780	IND	Uttar Pradesh Urban Deve.	5/15/97	Lee	7/15/97
C1805	BUI	Telecommunications 2	6/30/97	Barbu	9/29/97
C1827	BAN	Road Rehab & Maintenance	6/30/97	Mason	8/18/97
C1842	BOL	La Paz Municipal Dev.	6/17/97	Lee	
C1880	NIG	Energy	6/23/97	Liebenthal	8/18/97
C1915	GUI	Highway 4	6/12/97	Mason	9/08/97
C1949	MOZ	Urban Rehabilitation	6/30/97	Kreimer	
C1968	BUI	Urban Development 2	6/26/97	Lee	9/09/97
C1973	KEN	Geothermal Dev. And Energy	6/30/97	Berney	
C1978	CAR	Energy	6/30/97	Mason	
C1988	NEP	Municipal Dev & Housing Recon.	5/02/97	Lee	9/02/97
C2012	BOL	Export Corridors	5/27/97	Levy	8/11/97
C2014	CHA	Inner Mongolia Local Railway	6/27/97	Talvitie	8/04/97
C2061	GHA	Power 5	6/23/97	Liebenthal	8/11/97
C2106	GUI	National Rural Infrastructure	6/30/97	Mason	
C2126	CAR	Transport Sector	6/30/97	Mason	
C2306	HDS	Energy Sector	6/19/97	Liebenthal	7/31/97
C2330	TAN	Power Eng. & Tech. Assistance	6/30/97	Berney	
C2400	LES	Infrastructure Engineering	6/27/97	Mason	8/15/97
L2831	BRA	Ind. Pollution Control 2	6/25/97	Liebenthal	8/08/97
L2842	PAK	Refinery Energy Con. & Mod.	6/24/97	Berney	8/04/97
L2910	MYC	Power Distribution	5/28/97	Barbu	9/08/97
L2920	ARG	Municipal Development	6/03/97	Lee	
L2983	BRA	Municipal. & Low-Income Areas	6/13/97	Skytta	9/26/97
L2993	EGT	Alexandria Water Supply 2	6/17/97	Skytta	7/28/97
L3064	TUN	Urban 5	6/26/97	Parker	8/18/97
L3083	MXC	Hydroelectric Development	6/30/97	Liebenthal	
L3116	NIR	Power System Maintenance	6/30/97	Liebenthal	
L3147	PAK	Transmission Exten.& Reinf.	6/24/97	Barbu	9/29/97
L3154	PAP	Telecommunications 3	6/30/97	Barbu	
L3169	BRA	Highways Management & Rehab.	6/12/97	Levy	7/31/97
L3182	INS	Telecommunications 3	6/27/97	Barbu	9/26/97
L3236	NIR	Telecommunications	6/11/97	Barbu	9/09/97

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OED ID	Ctry	Project Description	PCR Rec'd	Lastname	Date to Board-1
Division : 3					
L3263	PHL	Earthquake Reconstruction	5/27/97	Kreimer	8/18/97
L3264	HUN	Telecommunications 2	6/24/97	Barbu	9/22/97
L3275	JAM	Road Infrastructure Planning	6/25/97	Talvitie	8/27/97
L3289	PAP	Special Interventions	6/26/97	Lee	9/02/97
L3301	IRN	Earthquake Recovery	6/02/97	Kreimer	8/08/97
L3344	IND	Private Power Utilities (BSES)	6/16/97	Berney	8/08/97
L3387	CHA	Ertan Hydroelectric	5/16/97	Barbu	8/25/97
L3630	IND	Tech Assist(Private Power Dev)	5/30/97	Berney	10/15/97
L3644	CZE	Telecommunications	5/20/97	Barbu	

The World Bank/IFC/MIGA
O F F I C E   M E M O R A N D U M

DATE: July 15, 1997 10:54pm

  TO: See Distribution Below

FROM: Robert Picciotto, DGO   (ROBERT PICCIOTTO)

EXT.:   84569

SUBJECT: <u>Completion Reporting</u>

On reflection, let us separate the external and the internal
system issues. Attached is a draft TOR for the external ICR
working group which I would like to send to Joe Wood, Joanne
Salop and Prem Garg -- after we have discussed it and we are all
happy with it.

<u>DISTRIBUTION:</u>
TO: ROGER SLADE   (ROGER SLADE @A1@WBHQB)
TO: Pablo Guerrero   (PABLO GUERRERO)
TO: ANDRES LIEBENTHAL   (ANDRES LIEBENTHAL @A1@WBHQB)
CC: Remote Addressee   (ejm@sympatico.ca.@internet)
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BANKWIDE COMPLETION REPORTING REVIEW GROUP

DRAFT TERMS OF REFERENCE

In order to achieve a "real time" evaluation system and
contribute to operational efficiency and development
effectiveness, Regional completion reporting practices need to
be reformed.

Overview

There is considerable evidence that the ICR system is not "owned"
by Regional managers. Few ICRs are produced by regular staff.
Even fewer involve senior staff. The attention given to ICRs by
senior managers is limited.

ICRs are managed as "residual" products. Backlogs tend to build
up. A vicious circle ensues. The usefulness of ICRs is reduced by
the long production delays. And the lack of utilization
contributes to the delays

Ultimately, this is because ICRs are viewed as "add ons" rather
than as important operational instruments geared to getting
results on the ground and/or to organizational learning.

Since ICRs constitue the lynchpin of the evaluation system, the
lack of Regional ownership of the ICR system tends to spread to
all evaluation products.

Value Added by ICRs

Current guidelines (OP/BP/GP 13.55) emphasize the following
objectives :

(i) accountability reporting : a review of actual and expected
results vs achievements (including self evaluation ratings) is
due to the Board within six months of the closing date;

(ii) organizational learning : relevant lessons of experience are
expected to be drawn;

(iii) contribution to sustainability : an action plan for the
operational phase including impact indicators is to be agreed
with the borrower and an aide memoire of the Bank mission
included in the ICR.

(iv) involvement of partners : the borrower as well as
cofinanciers are expected to contribute to the ICR.

Given the self evident development benefits associated with these
objectives, it is paradoxical that the cost of ICRs (about 3% of

lending costs) should be considered burdensome. Evidently, Regional managers do not view the ICR process as meeting its stated objectives.

Quality of ICRs

A recent report by OED (1996 Evaluation Results and Issues) evaluates the quality of 279 completion reports (including 17 completion notes).

The review concludes that 85% of the ICRs are broadly satisfactory in terms of the retrospective analysis they contain and the lessons they draw. However, only 43% of the ICRs contain adequate economic analyses.

Timeliness

Under existing procedures, completion reports must be delivered to the Board 6 months after the loan/credit is fully disbursed or earlier. In practice, completion reports are frequently overdue. Backlogs have been chronic and have required periodic senior management involvement to be reduced.

About half of ICRs are delivered in the last month of the fiscal year. The high seasonal peak (coinciding with summer vacations) complicates OED's review, thus adding to elapsed times.

Involvement of Partners

Only 74% of the ICRs contain borrowers' contributions and they are generally weak. Only 15% of the cofinanced projects include cofinanciers' comments.

Forward Looking Action Plans

An adequate aide memoire is produced in only 56% of the cases. No more than 50% reflect the existence of a plan for future operations and, of these, less than half display adequate impact monitoring arrangements.

Link to Knowledge Management

While OED does record all its findings in the evaluation text base, no system exists to screen, validate and classify lessons of experience in a user friendly fashion.

Scope of Work

A Bankwide working group should be assembled to assess the reasons of inadequate compliance with the ICR guidelines; to probe the lack of Regional ownership of ICRs; and to make recommendations for a more effective and timely process.

The aim of the working group should be to design a revamped

completion reporting process with the following specifications :

     (i)   reduced elapsed times, e.g. self evaluation ratings
          available within a month of credit closing;

    (ii) full borrower and cofinancier involvement;

   (iii) clearcut forward looking action plan in every case;

    (iv) real time connectivity to Bankwide knowledge
          management system.

The new system should be up and running by the end of FY98. Its
implementation should be budget neutral.

The working group should carry out its work so as to achieve
Regional management "buy in" for its recommendations.