



**Office of Evaluation and Oversight, OVE
Inter-American Development Bank**

1300 New York Ave. N.W., Washington, D.C. 20577

RE-243

*Proposal to Enhance the
Role of Oversight and
Evaluation within
Management*



Office of Evaluation and Oversight

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PROPOSAL TO ENHANCE THE ROLE OF OVERSIGHT AND EVALUATION WITHIN MANAGEMENT

I. Background

The Working Group of the Board of Executive Directors on Oversight and Evaluation completed, in June of 1999, a final report entitled "Strengthening Oversight and Rebuilding Evaluation in the Bank" (RE-238). Recommendation 4 states:

“The Board should request the President to present a proposal for ensuring proper and adequate coordination of the BES and OEO’s work with Management through creation of new coordination mechanisms. The Policy and Evaluation Committee of the Board should be consulted by Management during the preparation of their proposal, which should be presented within 60 days of the approval of this Report.”

The Board Working Group took into account many of the suggestions contained in the report of the Task Group of Bank Staff that was commissioned by the President and the Board to enhance the effectiveness and efficiency of the oversight and evaluation functions.

II. The Role of Management

Management agrees with concepts contained in both reports, particularly the idea of a “shared responsibility” between Management and an independent evaluation office that reports to the Board of Executive Directors. Management also recognizes the importance of self evaluation in enhancing organizational performance and the need to intensify its role in order for the Bank to benefit and take corrective measures as needed. For this to happen, the evaluation function must be internalized in the appropriate units of the Bank and not seen as the responsibility solely of a particular office.

III. Proposal

In order to implement the new emphasis that Management will place on evaluation, the responsibility for overseeing and coordinating the evaluation functions within Management will be in the Office of the Executive Vice President, supported by the Regional Operations Support Office (ROS), as secretariat. The proposal is as follows:

1. Appoint in the Office of the Executive Vice President a Senior Evaluation Advisor.

Management agrees with the recommendation of the Task Force, and endorsed by the Board Working Group, that the Management link with the Board and the independent evaluation office should be in the Office of the Executive Vice President. This places the new role of

responsibility on evaluation matters on the EVP Office, which oversees the management of the Bank. To meet this new challenge, the Executive Vice President will appoint a Senior Evaluation Advisor whose main responsibilities will be to:

- Oversee and coordinate the evaluation responsibilities within Management.
- Coordinate senior Management's review of all evaluation reports (both internal and OVE's) and of inputs to OVE work plans.
- Be the driving force to assure that the processes are in place to intensify the role of Management in evaluation.
- Serve as liaison with the Director of OVE and the Board, in conjunction with the Executive Vice President.
- Assure that the appropriate mechanisms exist so that the lessons learned from Management's evaluation system and the reports provided by the independent evaluation office are incorporated into the programming, loan preparation, and loan appraisal process.
- Propose to Management innovative approaches to implement effective oversight and evaluation.
- Oversee the preparation of the Annual Report on oversight and evaluation activities of the Bank. (in conjunction with OVE)
- Maintain, at the management level, a proactive network with evaluation processes in other multilateral financial institutions.

2. Assign ROS/PMP as the Secretariat of the Bank's Evaluation System.

As indicated before, Management believes that the liaison responsibility should be in the Office of the Executive Vice President, supported by the Portfolio Management and Project Monitoring Office (PMP) of ROS under the guidance of the Senior Evaluation Advisor in the Office of the EVP. This is justified based on the responsibilities assigned to ROS as a focal point on project monitoring, portfolio performance, promoting the feedback of operational lessons learned throughout the Bank, providing support to project teams, and quality control.

ROS would assume the technical responsibility for the coordination of the internal evaluation process, working in liaison with the EVP Office and other Departments of the Bank. ROS would also be responsible for preparing reports such as the Annual Work Plan on Evaluation, the Annual Three Year Oversight Program and others, and would provide inputs to the preparation of the Annual Report on Oversight and Evaluation Activities in the Bank by EVO. Under this proposal, ROS would also participate actively in the CRGs and be given a chair in Loan Committee and Programming Committee to concentrate on the application of lessons learned in the programming exercise as well as in the loan appraisal and approval process. Management is also considering the need for another mechanism for coordinating evaluation of non-lending activities such as sectorial or regional evaluations. If so, it also would be overseen by the Senior Evaluation Advisor.

3. Dissemination of internal evaluations of Bank projects.

Management intends to have a dynamic and innovative mechanism to disseminate evaluation results. One of the main features would be for the teams, doing mid-term or project completion evaluations, to publish unedited results through news letters, web sites, etc. The information would be easily accessible and cross-indexed and ROS would facilitate the tools for this purpose.

The Office of Learning would utilize the evaluation materials produced by both OVE and Management, as resource material in workshops, and incorporate them into analytical tools to enhance the application of lessons learned to new projects.

4. Coordinating views of OVE and Management

Under the “shared responsibility” concepts of evaluation, Management and OVE need to become partners in a coordinated way. The goal is to ensure that OVE has the support and technical input of the staff, while keeping total independence on its findings and conclusions.

Ideally, while OVE is preparing a report, there should be frequent interchange with the Bank staff to assure that the information is factually correct. This has to occur throughout the evaluation process and not just at the end. There is also the need for Management to give a view on the evaluation and recommendations of reports by the independent unit. Management would like to keep several options open, try out several alternatives and at some point review the experience with the Board Committees. Some of the options could be a special management committee, the Programming Committee and informal or network reviews, middle-management level review mechanism, among others.

Management has already started experimenting, with a certain degree of success, by having the technical staff most knowledgeable of the issue represent the views of Management at the Board’s Policy and Evaluation Committee instead of a central unit as in the past.

IV. Conclusion

As indicated before, Management strongly supports the conclusions of the Working Group's report on oversight and evaluation. With the proposal presented above, Management considers it will have an effective mechanism, at the appropriate level, for coordinating all the evaluation activities of the Bank with the Board and the independent evaluation office.

OVE STAFFING MANAGEMENT PLAN

On June 30, 1999, the Board took note of the final report of the Working Group on Oversight and Evaluation (Document RE-238) entitled "Strengthening Oversight and Rebuilding Evaluation in the Bank" and approved the recommendations contained therein.

Recommendation 5 states:

"Management should appoint a small work group with appropriate OEO participation, to develop a plan for guiding the assignment and subsequent rotation of personnel into and out of OEO. This plan should also define a process, which will ensure that recruitment from outside the Bank for OEO will result in the selection of people who will be acceptable for rotation into the Bank after their initial assignment to OEO. The plan should provide that the OEO Director would have the authority to approve all assignments to OEO and the timing of staff transfers out of OEO. The Plan should be submitted to the Policy and Evaluation Committee within 90 days of the approval of this report."

In accordance with the above recommendation Management is pleased to present the Plan outlined below. The Plan is comprised of two basic prongs: the first, addressing the issues of internal recruitment and mobility (into and out of OEO, heretofore OVE) and the second, addressing issues pertaining to external recruitment. To assure an orderly transition phase and facilitate the Plan's implementation, supportive personnel management actions, in coordination with OVE, will be pursued to identify suitable opportunities to reassign existing OVE professionals. Combined with normal staff attrition, this would gradually result in having a suitable profile of OVE vacancies for future competitive staffing. Over a 2 to 3 year period, the Plan would thus contribute to the acquisition of a skills mix which is best suited to the OVE role realignment envisaged in RE-238.

I. Background

The recommendation is explained in RE-238 in the context of assuring that OVE is staffed with highly competent professionals who are recognized as such by their peers. This recognition by peers can be greatly facilitated by a mechanism designed to assure a managed rotation of professional staff between OVE and the Bank, giving due regard also to field experience in the Country Offices. Assignments in OVE should be integrated in the normal career streams of the Bank. Such assignments should not last for extended periods. Rotation of staff in and out of evaluation assignments will be necessary to help cross-fertilize and spread lessons learned from evaluation and, in this manner, broader institutional learning and dissemination. Past experience has shown that, in the absence of suitable rotation measures, there is insufficient mobility into and out of the independent evaluation office.

II. The Proposed Plan:

It is important to underscore that an effective OVE staffing and rotation management regime must encompass many elements. OVE must provide an attractive work environment under quality leadership, its work must be seen as relevant to the work of the organization, the Senior Management, and the Board of Executive Directors Bank. Professional staff members must perceive that their careers can be enhanced by acquiring an OVE experience. OVE should receive a generous training budget as well as provide the opportunities for exposure through involvement with important special working groups and task forces. Staffing OVE properly will require a balance between staff with a high degree of expertise in the operational areas of the Bank and new staff that bring important experiences and new ideas. Key in the success of this Plan is the need to demonstrate through both words and actions that the Bank values OVE experience. This is important to attract quality staff from both in and out of the Bank, and to ensure that a staffing management regime of the type described below can be sustained.

III. Profile of the Office:

Of paramount importance in any staffing strategy is that OVE be a place that can attract quality staff. This can be accomplished with an OVE where staff can excel, can learn and can grow and where the work of the Office is valued and has an impact on the work of the organization. In this regard, OVE should be a place where leadership can be exercised, where the quality of assignments are of interest and relevant to the work of the organization, where staff can get both personal and professional exposure in and out of the organization, where innovative thinking and thinkers are sought and where training opportunities are readily available. Additionally, it will be important to ensure that OVE professional staff have the same opportunities for promotion as exist in the operational areas. All of the above are conditions for the success of the staffing plan articulated below.

IV. Staffing Mix:

This proposal recommends that OVE be staffed mostly with internal staff. The numbers would have to be determined by the Director and the Board Committee but it is Management's recommendation that at least 70% of the staff be internally recruited. This is for two reasons. The first is the importance of understanding the performance of Bank country programs and operational policies, loan operations, internal processes, and procedures. The second, given the low growth and turnover of staff in general in the Bank, is the limited ability to absorb externally recruited staff into the Bank after their initial assignment in OVE.

V. Profile of Staff Sought:

OVE professional staff should preferably come from the Headquarters operational areas (including Central Departments and INT) and the Country Offices. Consideration should be given to ensuring that at least two staff members at any point in time have Country Office experience. OVE experience must be seen to be, and results must show that it is, career enhancing. Staff members whose interests are in strategic program and policy work, in the development of country program strategies, in analyzing and evaluating projects and in working with sector networks would be especially suited. The Office should have a very flexible grading structure so that staff can freely rotate and be promoted in OVE, if so determined, without the rigidities of a pre-defined grading distribution. While this paper is about staff, OVE should make use of short-term consultants as a complement for highly specialized work.

VI. Internal Recruitment and Mobility:

How to Attract:

With the characteristics of the Office described above, Management believes that OVE will be able to attract the kind of staff it will need to function effectively. The EVP and Managers will have to play an active role in identifying and encouraging quality candidates to rotate to OVE. In the early stages of strengthening the Office, it is probably most appropriate to target staff primarily at the grades V and IV levels with at least 3 years in the Bank. These are generally the staff members most interested in rotating. However, a flexible grading system should enable the Office to attract staff at all levels of the operational career stream, i.e. grades V-II. The OVE Director should have the flexibility to promote staff members selected competitively under the Plan, without the constraint of a rigid grade distribution. This would allow the Director to recognize their performance record in OVE and the prospects of their future career development. It is important that no professional staff member be personally prejudiced in terms of promotional possibilities by moving to OVE. A track record of strong performance both before and during the OVE assignment is a critical factor in a staff member's ability to be reabsorbed into the line departments and this is an important incentive for OVE and for the staff member, particularly in the mid-career stage. To both renew its staff as well as to facilitate reincorporation back to the Departments, Management recommends that OVE assignments be for no more than 3 years with a return commitment.

This proposal recommends that postings be announced, from time to time, at the discretion of the OVE Director, for the vacancies to be filled by internal candidates. Though earlier indicated that OVE assignments would be for 3 years, the initial group could be staggered with 2, 3 and 4 year assignments as a special start-up initiative. A selection panel would be established to select candidates. The OVE Director, or his designee, could chair the panel with the participation of Division Chiefs or similar levels from the operational areas of the

Bank and HRD.

The selection panels would have pre-established criteria for assignment to OVE. In addition to experience and competencies, this proposal recommends that no staff member be short-listed who does not have at minimum a satisfactory + rating (as determined through merit pay) during the previous three years. The panel would produce a short list of qualified candidates from which the OVE Director could appoint.

VII. Return Commitment:

Lack of a working rotation system is a Bankwide problem of which OVE is just a subset. Recognizing that one of the major deterrents to rotation is the uncertainty associated with the rotational assignments both with regard to subsequent reassignment and its timing, the return commitment becomes a critical part of the staffing strategy. For an OVE staffing plan to succeed, there must be assurance that staff will be able to return either to their home department or to another mutually agreed upon department at the time of the assignment to OVE. Additionally, it is imperative that the reassignment occurs immediately upon termination of the OVE assignment. Both the OVE Director and the receiving Manager will be expected to support the rotation of the staff member at the time indicated.

In this respect, no staff member would be assigned to OVE without a commitment from a department to receive them at the end of the OVE assignment. It would be the responsibility of HRD and Senior Management to ensure that such a return commitment is in place before any transfer to OVE.

To ensure that this rotation system works, Managers must have incentives to release their better performers for up to three years and to provide return commitment guarantees upon the completion of the assignment. To ensure that the vacancies are there, in the right place, skills and time, it is proposed that Managers be given access to additional headcount, and if necessary additional funding, to absorb the costs related to a staff member's reincorporation following completion of the OVE assignment. When an appropriate position is not available, the returning staff member could be incorporated into a floating headcount with flexible grade, when required, so that the headcount would not be counted as part of the department's headcount for up to one year. At the end of the year, or earlier, the department would be asked to reinstate the headcount to the floating pool via one of their vacancies. Providing the extra funding and flexibility with regard to the reintegration of the returning staff member should facilitate the rotation. The floating headcount account would be managed centrally. The HR strategy is recommending such a mechanism for addressing Country Office reintegration cases. While the organization does not currently have this mechanism, OVE and the COs may be appropriate places to pilot its use.

VIII. External Recruitment:

To ensure the appropriate skills mix, it is anticipated that OVE will also conduct external recruitment. Management proposes that staff recruited for OVE be hired in accordance with the normal hiring policies of the Bank through a competitive posting and include inter-departmental representation on the selection panel. Without this, there will be impediments to their possible transfer to other Bank positions following their service in OVE.

As a means of assuring an ongoing renewal and regular turnover, staff recruited into OVE externally would be given special contracts to serve in OVE for a three year fixed term. It would be normally expected that following this assignment, OVE staff would rotate to regular staff positions in the Bank. If this is not possible, externally recruited OVE staff would be eligible for a single contract extension of up to two years in OVE. If by the end of this period, staff have not been selected for reassignments in the Bank to a position outside of OVE, their service with OVE and the Bank would be discontinued.

IX. Monitoring and Reporting:

The implementation of this Plan will be the object of regular monitoring and reporting by OVE and HRD before the respective bodies of the Board of Executive Directors.