3. Management Action Record

Highlights

- The Management Action Record (MAR) process has been successful in creating a formal, transparent, and well-understood structure within the organization for reporting about progress being made to address recommendations in IEG evaluations
- At the end of four years of review, implementation of the vast majority of recommendations (more than 80 percent) are rated substantial or higher
- An in-depth review of the six evaluations exiting the MAR this year found that evaluations are most influential when they are timely, strategically relevant, and credible, and include early and frequent stakeholder engagement to create ownership
- For evaluations that address difficult or cross-cutting issues with unclear ownership, early engagement with the right stakeholder may not be achieved. Such evaluations may nevertheless be among the most influential in the longer run.

Background

IEG evaluations are part of a system aimed at improving the development effectiveness of World Bank Group programs and activities and their responsiveness to member countries' needs and concerns. The Management Action Record (MAR) process aims to create transparency about progress made by World Bank Group management in addressing IEG recommendations, which serve to offer focus on specific issues.

Tracking and rating actions to address recommendations is an annual and publicly monitorable process. IEG and World Bank Group management use the MAR process to track actions taken in line with recommendations made by IEG in sector, thematic, and corporate evaluations. Management reports on progress made each year, and both management and IEG independently assess and rate implementation. IEG discloses these assessments and ratings on the IEG website. Box 3.1 describes the MAR process in more detail.

A study of the influence of IEG evaluations (IEG 2011b) and follow-up interviews carried out in 2015 with six evaluations entering their fourth and last year of MAR follow-up show that the timeliness, quality, and relevance of IEG's evaluations affect their influence. IEG's evaluations are most influential when significant engagement and information sharing occurs between IEG and its World Bank Group counterparts throughout the evaluative process, and not just immediately before disclosure.

Box 3.1. What is the Management Action Record and How is it Used?

The Management Action Record is a process to create structured opportunities for IEG and World Bank Group management to follow up on IEG recommendations and management actions related to IEG's corporate, sector, and thematic evaluations. IEG has tracked management's actions in response to its recommendations since the late 1990s for the World Bank, since 2003 for MIGA, and since 2004 for IFC. Management's responses and self-assessment, and IEG's assessment of these responses have been disclosed since 2010.

IEG and World Bank Group management have adhered to the following process since FY13:

- IEG clarifies the link between the evaluation findings and the recommendations, and discusses the recommendations with management before finalizing them.
- Management prepares a plan with actions and timelines after the Board discusses an evaluation.
- IEG offers a final set of comments on the action plan.
- IEG begins tracking the level of implementation of the recommendations (one fiscal year after the Board discussion) based on indicators and targets in the plan, and tracks recommendations for four years. Management updates IEG on actions taken and rates its implementation progress annually on the following scale: negligible, moderate, substantial, high, and complete. IEG reviews and evaluates each management update and separately rates management's actions on the same scale.

An online system implemented in FY14 streamlines the tracking and updating process and ensures consistency in reporting across the World Bank Group.

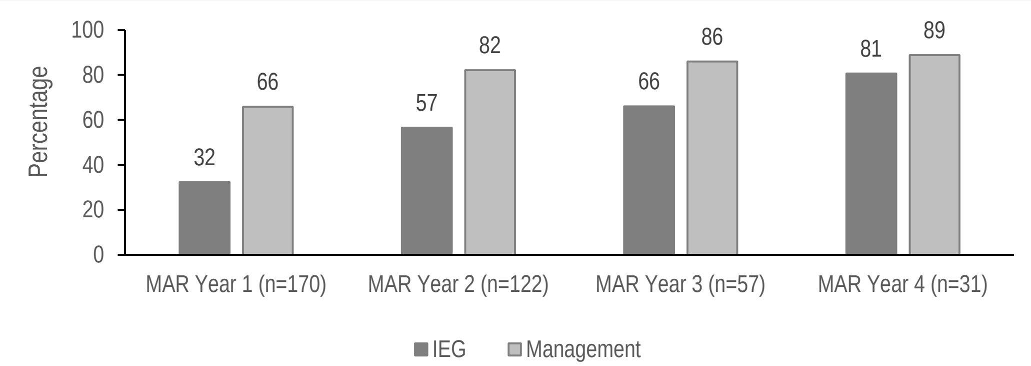
Monitoring the actions associated with IEG recommendations generates knowledge on areas where improvements are made and where they are not. It also serves an accountability function by informing the Board's Committee on Development Effectiveness and the public about management's actions in response to evaluation recommendations. The process does not include specific activities to encourage the use of knowledge accumulated throughout the updates.

How well are recommendations implemented?

An evaluation's overall influence is difficult to measure, since influence may not be recognized or acknowledged, may take time, and may affect ways of thinking instead of directly related actions. However, the MAR ratings indicate how well the World Bank Group has implemented actions that are in line with the recommendations. The implementation experience is diverse. By the end of FY15, IEG and the World Bank Group tracked actions for 170 recommendations across the World Bank, IFC, and MIGA drawn from the 25 evaluations produced between FY11 and FY14. It is difficult to draw major conclusions, given that these 25 evaluations launched within four years, and that the dataset is relatively small and built on a group of highly diverse evaluations. IEG and the Bank tracked only six evaluations for year 1, nine for year 2, four evaluations for year 3, and six evaluations for year 4. The evaluations covered a wide range of topics regarding sectors (agriculture and agribusiness, forestry, transport, health financing, for example), themes (such as harmonization, innovation, public-private partnerships), and policies and procedures (for example, safeguards and procurement). Drawing conclusions on the overall implementation experience is also difficult since only six of the evaluations were in their last year of implementation tracking.

The World Bank Group made progress on its Action Plans, and its and IEG's assessments of progress align with each other over time. Toward the end of the four years that the World Bank Group gives itself to respond to IEG recommendations, both management and IEG rate implementation of the majority (more than 80 percent) of recommendations substantial or higher (Figure 3.1).

Figure 3.1. Implementation of Actions to Address IEG Recommendations



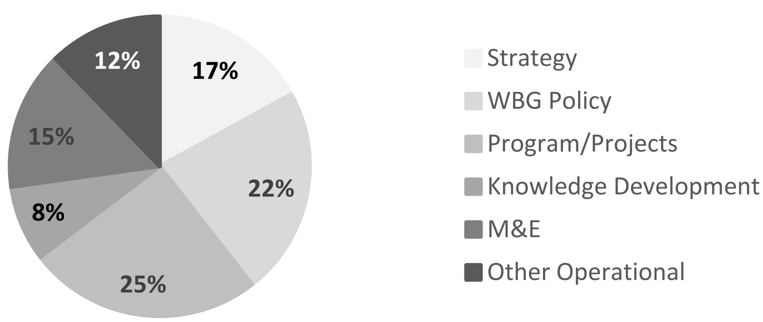
Source: IEG data.
Note: MAR = Management Action Record; n = number of recommendations.

Implementation progress does not vary across the major categories of recommendations except for those related to improving monitoring and evaluation (M&E). IEG recommendations can be categorized as strategy, policy, programs, projects, knowledge development, M&E, or other operational issues. Among the 170 recommendations tracked this year, the largest group (39 percent) covers Strategy and Policy (Figure 3.2). Most of the 25 evaluations analyzed included a recommendation for better M&E deployment, specifically: strengthening results frameworks and indicators to better assess the impact of interventions; working with the client to build capacity to collect data and conduct M&E; or establishing M&E systems for new or cross-cutting areas, such as innovation and entrepreneurship, public-private partnerships, and procurement.

Although management generally agreed with IEG's M&E recommendations, implementation proved difficult. The causes for sluggish implementation most frequently cited were issues with data collection, the methodologies for assessing project impacts and developing outcomes, and the time taken for outcomes to materialize. Management's annual updates acknowledged the difficulties in strengthening M&E; the rating for M&E recommendation implementation was lower than average. In the fourth and last year of follow-up, management rated only two of the four M&E-related recommendations as having substantial or better implementation progress, which is significantly less than the progress ratings for other recommendations.

Implementation progress depends on context. Recent developments within the World Bank Group also affected specific evaluations. For example, the transition to a Global Practice structure in FY15 delayed implementation of actions for the *Improving Institutional Capability and Financial Viability to Sustain Transport* evaluation (IEG 2013d). IEG rated actions for three recommendations from the evaluation of IFC's poverty focus (IEG 2011a) low because changes in IFC's focus weakened the impetus of some of the agreed actions and raised questions on the sustainability of some previous actions.

Figure 3.2. Types of IEG Recommendations



Source: IEG data.
Note: M&E = monitoring and evaluation.

How well does the MAR work?

IEG undertook more detailed analysis of four years of implementation tracking of six evaluations for a better understanding of the progress made in addressing evaluation findings and recommendations, and the broader experiences the MAR process offered to the various parties involved. The methodology adopted for the in-depth review included a desk review of the evaluations and their corresponding MAR updates, and semi-structured interviews with IEG and World Bank Group managers and staff involved with the evaluations and their MAR updates, using a standardized interview template.

IEG found that management was responsive, but the process itself was too mechanical to have truly supported the evaluations' influence. IEG found that junior staff or consultants frequently prepare the annual management updates, which are usually just a desk-based write-up with reviews that rarely include dialogue between management and IEG and across various involved parties in the World Bank Group. Little deep self-reflection happens among the various stakeholders that would have been involved in actual implementation.

The extent to which World Bank Group management agrees to and buys into recommendations affects the level of World Bank Group engagement during the implementation. For example, in response to the evaluation of the Bank's trust fund activities (IEG 2011d), the World Bank introduced the Management Framework for World Bank Partnership Programs and Financial Intermediary Funds, addressing the need to strengthen guidance for accepting and managing financial intermediary funds. After the evaluation of social safety nets (IEG 2011c), the World Bank increased lending for social safety net operations, including increases in low-income countries. The increased funding helped to build systems that enhance the ability of countries to cope with shocks; these significant advancements were achieved by the final year of follow-up on the original recommendations. It is unclear whether the evaluation can take much credit for this development. It could be the recommendations were in line with what the sector would have done anyway, which the evaluation further legitimized. Across the board, though, IEG and World Bank Group managers and staff interviewed found the format of the update process bureaucratic and limiting.

It is important to understand the contribution of the MAR process to an evaluation's influence in the context of the evaluation and its specific influence potential. Many factors affect evaluation influence, and a broad and evolving literature identifies three attributes that characterize influential evaluations: timeliness and strategic relevance, analytical quality and credibility, and depth and frequency of building engagement with and ownership by management. Interviews with selected managers and staff involved with the evaluations confirmed these categories, in line with an earlier review of IEG influence, which concluded that a constructive feedback loop between the IEG evaluation team and management could enhance IEG's contribution to World Bank Group development effectiveness.[1] More specifically, the in-depth review found the following:

- **On timeliness and strategic relevance:** Evaluations that were timely and generated findings and recommendations that aligned with ongoing strategic priorities and operational programs tended to have relatively stronger influence. For example, a review of IFC's Performance Standards was underway when IEG completed the evaluation *Safeguards and Sustainability Policies in a Changing*

World: An Independent Evaluation of World Bank Group Experience (2010b). According to those interviewed, the IEG evaluation informed the IFC review. The managers and staff interviewed noted that IFC's updated Performance Standards (adopted in 2011) are largely consistent with IEG's recommendations. Timing also mattered if a similar or related evaluation was issued shortly before: Interviewees confirmed that they found one of the evaluations studied to be less influential because another evaluation with similar recommendations was released only a few years earlier.

- **On analytical quality and credibility:** Managers and staff interviewed confirmed that the report's analytical quality and the evaluation team's technical credibility strongly influenced how seriously they took the report and its recommendations. It would be difficult to rate analytical quality or credibility across the six evaluations in a meaningful way, given their topical, contextual, and methodological differences, and the fact that the dataset of six evaluations is too small to draw statistically relevant conclusions about the relationship between quality and influence.

- **On ownership:** Evaluations that created early buy-in to findings and recommendations ultimately had strong management ownership, with implications for actions and their implementation. Management interviewed specifically noted that they were informed about issues associated with the topic and key findings early on and could discuss them. When the evaluation report was finalized, management did not have to deal with surprises and could act swiftly on the recommendations. Those interviewed confirmed that such early engagement allowed them to assume accountability for actions easier than when they felt forced to do so when confronted with findings and recommendations at the end. The evaluation of social safety nets (IEG 2011c) is again a good example: The lead evaluator proactively engaged early with the Sector Board at the time, creating ample space for dialogue on emerging issues and insights. Ownership and early engagement are desirable; however, it is important to note that these may not be achieved for evaluations that address difficult issues in the World Bank Group, or cross-cutting issues with unclear ownership. Such evaluations may still be among the most influential in the longer run, but the influence may take more time, and avenues of influence may be required other than what the MAR can offer. A statement in the Independent Panel's report to the Committee on Development Effectiveness (CODE) stressed the importance of IEG's strategic engagement and a close but uncompromised relationship with management and staff.

How can MAR potential be tapped?

The *External Review of the Independent Evaluation of the World Bank Group Report to CODE from the Independent Panel* (IEG 2015a) also suggested the need for stronger initial buy-in on evaluation findings and recommendations. The report stated, "Current weaknesses in the way CODE, IEG, and management interact prevent the World Bank Group from fully benefiting from independent evaluation." Two of the panel's eight recommendations refer to MAR-related processes, and improvements in the MAR process could contribute to addressing several concerns raised by the panel. The panel's statement is notable in this context: "A number of those interviewed stressed that the effectiveness and capacity of an independent evaluation unit to influence and bring about change requires strategic engagement and a close, but uncompromised, relationship with management and staff. IEG's isolation and interpretation of independence has created tense and formalized relationships, too much focus on process, and on overdependence on the quality of human dynamics and interactions."

The shortcomings of the MAR process relate mostly to the lack of dialogue and dynamic engagement. Most managers and staff regarded the MAR follow-up as a static accounting exercise that did not fully consider the dynamic environment within which World Bank Group units operate. They also thought the evaluation and the broader issues and challenges to the World Bank Group it identified were lost because of the limited focus on a set of specific and fixed actions. The move toward actions and timelines further emphasized the mechanical dimension of assessing progress made toward implementation. Consequently, many of those interviewed in both the World Bank Group and IEG perceived the process as having limited value for learning and operational use.

Previous reforms of the MAR process introduced guidelines for writing recommendations, suggested earlier engagement, and stipulated the introduction of Action Plans with indicators and timelines. Having addressed some of the more mechanical aspects of the MAR process, future work will need to focus on ongoing stakeholder and ownership issues.

A new round of improvements to the MAR process should focus on bringing purpose back to the Action Plans and the annual updates, including stocktaking at the final update. A close collaboration among CODE, the Bank, IFC, MIGA, and IEG should design and implement a further round of improvements to the MAR process. Topics to consider are:

- Earlier and more in-depth engagement by the evaluators with management and topical stakeholders

- Expanding the boundaries for updates beyond the specific actions
- Introducing a learning dialogue at the end of the update process.

NOTES

[1] An earlier review of the influence of IEG evaluation on the World Bank Group found that the factors contributing to the increased influence of these evaluations included a sense of shared ownership of the evaluation; credibility of evaluation results; methodological rigor; the quality of recommendations with regard to coherence, clarity, and cost effectiveness; the extent of interaction between evaluators and management; the timeliness of the evaluation; the presence of advocates for reform and adoption of IEG recommendations; and institutional incentives and accountability for adopting recommendations. The review stated that a constructive feedback loop could enhance the effectiveness of the World Bank Group (IEG 2011b).