

MANAGEMENT RESPONSE TO THE 2008 ANNUAL REPORT ON ACTING ON RECOMMENDATIONS

On 14 September 2009, the Director General, Independent Evaluation Department, received the following response from the Managing Director General on behalf of Management:

I. Overall Assessment

1. We appreciate IED's 2008 Annual Report on Acting on Recommendations. We concur that the new automated Management Action Record System (MARS) will allow for (i) a more systematic analysis of data when action plans are implemented, recorded and validated; and (ii) facilitation of real-time monitoring of recommendations. We are pleased that "cooperation and enthusiasm shown by the implementing departments thus far has been very encouraging" (para. 30).

2. As IED notes, this Report is a transition report as it uses both the manual tracking system (for IED reports up to 2007) and the MARS tracking system (for 2008 IED reports), which has been in use Bank-wide since July 2009. In this regard, we support the report's balanced consideration of MARS implementation issues and its open mindedness, e.g., in considering further enhancements in the formulation of recommendations and improvements in the action tracking system. We share the following general observations and concerns as Management and IED continue to work together to improve MARS.

II. Flexibility, Quality and Number of Recommendations

3. Flexibility. We stress the importance of allowing flexibility of Management action in implementing recommendations. Sector and regional initiatives typically are evolving. As the situation in the field is dynamic, constantly changing and requiring new responses, the formulation and tracking of recommendations should consider development initiatives as "moving targets". Trial-and-error and continuous adjustments are often needed to ensure effectiveness of implementation.

4. Quality. We support the proposed arrangements to enhance skills for formulating recommendations, e.g., by considering the larger context within which the recommendations must fit and their future implications. We stress that while MARS emphasizes accountability, it should not become mechanistic and cumbersome to use; otherwise, its potential value of adding to development effectiveness will be undermined. Management and IED will hold focus group discussions to learn from the experience of the MARS focal points from the implementing and operating departments and to identify system improvements.

5. Number. We have noted that the total number of recommendations in 2008 (i.e., 105) declined from that in 2007 (i.e., 161). We appreciate IED's efforts to reduce the total number of recommendations through non-duplication, further analysis of recommendations and absorption in relevant broader studies. We remain concerned, however, that tracking and implementation of

recommendations and related action plans will become increasingly difficult and resource intensive.

III. Quality of Management Responses

6. The Report notes that the Management responses provided in 2009 (since the establishment of MARS) have been "much clearer regarding whether recommendations are or are not accepted, with clear reasons often provided where recommendations are not accepted." We expect that quality will continue to improve with further experience with MARS implementation, e.g., following IED validation of the implementation of action plans in the first quarter of 2010.

IV. Conclusion

7. Results to date of MARS are positive and encouraging. Management will continue to consult with implementing and operating departments and with IED to enhance MARS implementation, including the determination of the classification system based on output or outcome orientation or an indicator approach.