

**APPENDIX 12**

**Management's Implementation of OVE's 12 Recommendations on the Bank's Monitoring System**

RECOMMENDATION	STATUS
<p>1. "To improve the coherence between the Project Report and the PPMR System, Management should make sure that logical frameworks and interim indicators are detailed enough in the project report to permit its later translation into this PPMR, as part of an effective hand-off the project to the Country Office."</p>	<p>A new guideline has already been put in place by the EVP requiring logframes to be prepared at Profile II stage. Start-up workshops after project approval involving Project Teams and Executing Agencies are working towards clarifying logframe performance indicators and better inserting these into the PPMR monitoring system. In addition, increased logframe training and support have been provided to staff and Borrowers through seminars and the Help Desk Facility. Electronic training modules on logframes/monitoring are being developed (completion in Summer 2002).</p>
<p>2. "In order to increase the contextual quality and the analysis of the PPMR system, Management should ensure that the PPMR is updated in the light of changing conditions and includes a discussion of factors that may affect project outcome, including institutional aspects and sustainability. In addition, the PPMR should include a special section on text-search facility for lessons learned during the execution process. Management should work on a prototype of a system with electronic links to existing online data bases to preserve transaction detail on all modifications made to a PPMR. Moreover the proposed system should connect the PPMR to key elements of the supervision process such as inspection reports, loan administration missions, mid-term reports, portfolio review mission reports, etc., thus permitting easy cross-referencing and access to pertinent documents."</p>	<p>PPMR is updated at least semi-annually according to procedures and will be updated as key events occur. A revamped PPMR design (to be implemented in June 2002) places more emphasis on key factors affecting project outcome, and will include lessons learned. Management has completed an online institutional checklist to help staff and clients review from the outset institutional capabilities, a key factor affecting project outcomes. The lessons learned section in the revamped PPMR will be accessible through the text-search facility of the new LERN database (also to be implemented in 2002). The revamped PPMR system also includes up to 5 years of historical PPMR ratings and the historical PPMRs can be accessed electronically. All relevant project execution documents will be electronically linked within the framework of the POIS initiative (to be implemented in 2003 in all COFs). A pilot program is already being tested in the field, whereby such execution-related reports are being integrated into an online document management system.</p>
<p>3. "In order to improve the reliability of the information contained in the PPMRs and to provide incentives for improving the quality of the analysis, interactive discussion and review with the Executing Agency(s) and other stakeholders (beneficiaries) should be held biannually. There should also be a formal process of review in the appropriate Regional Department, a time when the contents of the PPMR can be discussed and recommendations made as to how to improve the project. Lessons derived from these review should be registered in the PPMR."</p>	<p>More and more COFs and HQ teams are engaging in ongoing interactive discussion and reviews with Executing Agencies and other stakeholders using the PPMR increasingly as a management tool (not only as a reporting tool); portfolio review missions also already include a formal review of all PPMRs; further training on PPMRs and monitoring frameworks is foreseen for country coordinators, Country Office and Executing Agency staff in 2002 to enhance results monitoring, and permit continuous updating of the PPMR to reflect reality and new progress reporting.</p>
<p>4. "Management should develop guidelines regarding the application of standards to use when grading components of a project so that there is an even application of standards within and between regions. ROS should coordinate and supervise this effort."</p>	<p>Guidelines and standards to accompany the new PPMR system are under development (to be completed in June 2002). Logframe Helpdesk Facility set up by ROS also provides complementary assistance on project monitoring indicators according to sectors, instruments and areas to help ensure evenness and consistency of rankings.</p>