

**Secretariat's Response to the  
Independent Evaluation of the Post Conflict Fund (FY03-06)**  
(October 15, 2007)

**Introduction**

As a recipient of Development Grant Facility (DGF) financing, the Post Conflict Fund (PCF) must be evaluated every 3-5 years. An earlier evaluation of the PCF was conducted in FY02 covering its first four years of operation from FY99 to FY02. The most recent evaluation covers the subsequent four years from FY03 to FY06. This note presents the response of the unit administering the PCF which is referred to as the "Secretariat."

The consultants, Crown Agents, were selected for the assignment through a competitive bidding process based on a Terms of Reference cleared by the PCF Committee. An Inception Report which was submitted by the consultants in January 2007 was also cleared by the Committee. A first draft of the report was submitted in May 2007. After a thorough review process that included a presentation to PCF Committee members, the Committee requested that the contract be extended so that the consultants could further analyze the achievements and impact of PCF grants and respond to a number of specific comments from the Secretariat and Committee. A revised draft was submitted in August 2007, and based on the Secretariat's comments, a final report was prepared and submitted on September 15, 2007.

**Response to Key Findings and Recommendations**

The Secretariat is grateful for the consultants' efforts in undertaking such a detailed analysis of PCF operations and responding to the many comments provided to earlier drafts of this report. Independent evaluations are an important tool for informing improvements in PCF operations, and there are many useful ideas presented in this report which, subsequent to Committee endorsement, will be taken up by the Secretariat in the coming months. **Perhaps most importantly, the report will provide a critical input to the development of a consolidated framework for the best use of the PCF and LICUS Trust Fund which will be presented to the World Bank's Board of Directors in FY08.**

Before moving on to the main sections of the report, **the Secretariat is pleased to note the report's general conclusion that "the PCF is highly relevant to the Bank's efforts in conflict affected countries, offering country teams an option of speed of action and a greater degree of flexibility not available from other instruments."** It also makes a number of insightful recommendations for the future development of the PCF.

The following sections will address a selection of the report's key findings and recommendations. Although the table of recommendations at the end of the report has many useful ideas, in the interest of brevity, only some of them will be addressed in this response. The Secretariat and Committee will discuss the merits of each recommendation as part of their follow-up to this report.

*Achievements of Objectives/Strategic Issues*

**The Secretariat is encouraged by the positive findings on speed, flexibility and innovation.** Given the high risk context of PCF projects, Task Team Leaders (TTLs) must have the ability to try new approaches and move through the bureaucracy fast enough so as not to miss

windows of opportunity. These characteristics of the PCF will be examined in greater depth as part of the preparation of a consolidated PCF/LICUS Trust Fund framework.

**One area where the Secretariat is not fully supportive of the report's findings is in the area of selectivity.** The evaluators consider the demand-led approach of the PCF a limitation to its effectiveness and suggest that virtually any type of project can be funded. While country teams have the flexibility to take approaches they consider most suitable to their unique situation, all of these approaches are viewed through the conflict lens. The Secretariat and Committee diligently screen proposals to ensure that whether a proposal is focusing on education, employment, health or governance, it is addressing either the causes or effects of conflict.

**While the Secretariat does take exception to the report's characterization of the PCF's selectivity, it agrees with the need to more actively stimulate demand.** Following the same lines as recommendations from the 2002 PCF evaluation, the evaluators suggest that the Secretariat engage in "shaping demand". Although the Secretariat does not want to compromise the country-led demand approach of the PCF, there is scope for more strategic collaboration with country teams. The report suggests the experience in Sri Lanka as a potential model. A similar approach has also been taken in Indonesia and the Philippines. The Secretariat will continue to explore the collaborative identification of priorities in other countries while working to raise awareness of the PCF more broadly as a means of stimulating new demand.

**Recent events have also overtaken some of the findings referring to the role of the Conflict Prevention and Reconstruction Unit (CPRU) and conflict specialists.** The merger of the CPRU and the Fragile States Unit in OPCS has addressed a lack of clarity within and outside the Bank as to who is leading the corporate agenda on conflict and fragility. The inclusion of conflict specialists in both the ex ante and ex post evaluation of projects is recommended in the report. This remains critical, and will now require even closer collaboration with specialists from regional social development/conflict units.

#### *Outcomes and Impacts*

The report's treatment of outcome and impact is unclear and inconsistent. On the one hand, **the report finds that 85% of the projects reviewed were rated as either highly satisfactory or satisfactory in achieving their outcomes.** This is an impressive success rate, especially in light of the difficult circumstances under which most PCF projects operate. On the other hand, the report in several places states that it is not possible to comment on project outcomes and impact (e.g. due to a lack of information). The Secretariat does acknowledge that information regarding outcome and impact varies considerably across projects depending upon their stage of implementation and the depth of project-specific independent evaluations. However, sufficient information has been made available to provide examples of outcome and impact. In fact, the report cites several such examples which fit the evaluators' definition. Table 10 makes several brief references to "outcomes" and indicates that these have led to impact. The Secretariat therefore believes that the consultants have been overly cautious in their treatment of project outcomes and impact, and that far more could have been done to articulate findings in this area.

According to the definitions of outcomes and impact used by the evaluators,<sup>1</sup> **PCF projects have, as mentioned above led to outcomes and likely impacts** (at least measured over the medium term) such as: sustainable employment for women and youth (Tajikistan and Congo-Brazzaville), the establishment of community-based project development mechanisms (Haiti, Sudan, and the Philippines), and the strengthening of service delivery systems and institutions, namely health (Haiti, Somalia). Again, the report would have benefited from a more systematic analysis of these outcomes and impacts rather than referring to them in an *ad hoc* manner. Furthermore, the report's treatment of these important issues through surveys of task managers and process-oriented analysis in which the underlying survey methodology is unclear, failed to sufficiently capture the substantive results of the projects.

**The Secretariat does not agree with the statement that the “small, one-off” nature of projects limits their impact.** Even modest amounts of money can produce a major impact (such as on veterans legislation in Timor-Leste), and certainly projects in excess of \$1 million (of which the PCF has several) have the capacity to have a noticeable impact. In this regard, the Secretariat notes the report's discussion of “project achievements” as intermediate outcomes expected to be achieved by PCF grants.

**The Secretariat acknowledges the difficulty of determining the extent to which projects have had what the report refers to as an “overall impact on conflict.”** Changes in typical measures of conflict which are noted in the report (e.g., death rates, hospital activity, and numbers of prisoners) are not reliably attributable to PCF projects. It is clearly understood that the PCF cannot make the deciding difference in bringing intractable conflicts in West Bank and Gaza, Somalia, or Darfur to a peaceful end. The Secretariat also recognizes the issue of project design raised in the report and is focusing project teams and the Committee's attention on improving results frameworks, articulating project outcome indicators more clearly and making PDOs more concrete.

#### *Knowledge Management*

**The Secretariat appreciates the report's recognition that resources have limited its knowledge management activity in the past.** A recent increase in staffing has allowed the Knowledge Management Work Plan to be updated and more actively implemented. The revised Plan will focus on: launching a more dynamic PCF website with regular updates; regular production of lessons learned from closed projects to be posted on the website; debriefing and more systematic close-out reporting by TTLs; and the development of a thematic taxonomy which will allow for more effective analysis of the project portfolio.

**The development and use of networks to share lessons on conflict-related activities will now be considered in light of the consolidation of Bank units focusing on conflict and fragility.** The Bank has cultivated significant internal and external networks on both topics which will be integrated and expanded as part of the consolidation of the new unit. More active staff monitoring of PCF projects will also allow the Secretariat to respond more effectively to country demands and to provide TTLs with feedback to enhance project performance. The Secretariat will also ensure that knowledge management remains a key competency within the new unit in OPCS so that lessons from PCF grants are disseminated widely.

---

<sup>1</sup> **Impact** means (sustainable, long term) changes achieved (at the time of evaluation) at the purpose (overall objective) or goal level. **Outcome** means the results achieved at the level of purpose (overall objective).

*Governance, Management and Administration*

**The Secretariat is encouraged by the report’s conclusion that the governance, management and administrative arrangements of the PCF are satisfactory.** While several recommendations have been made to strengthen the project review process, it is generally seen as sound and producing thoroughly reviewed and scrutinized proposals. One finding which the Secretariat will explore is the extent to which the Committee would like to be more engaged and informed about pre- and post-decision meeting interactions with country teams. A new Terms of Reference for the Committee will be developed to provide members with guidance on their overall mandate, specific functions and membership structure. Any reforms to the grant management process will be made with an eye to maintaining the fast, flexible and high quality characteristics of the PCF.

**One recommendation which will clearly fall within the Secretariat’s preparation of a consolidated PCF and LICUS TF framework is the review of the PCF’s mission and the development of a business plan.** The consolidated framework will take a fresh look at the PCF mission vis-à-vis the LICUS TF and other Bank trust funds and explore how to make the best use of the two trust funds.

**Summary of Key Recommendations and Planned Actions**

<b>Recommendation</b>	<b>Secretariat Response</b>
A PCF purpose statement (mission) constructed around the PCF being a tool to enable Bank engagement at the various levels of country status in accordance with DAC principles	The unique role and mission of PCF will be reviewed as part of the development of a consolidated framework for PCF and the LICUS Trust Fund.
A more strategic use at country level (such as recently attempted for Sri Lanka)	Similar approaches have been applied in the Philippines and Indonesia, and will be explored with additional country teams.
An adjustment to the demand led stance with the secretariat adopting more advocacy and shaping of demand (based on themes and lessons) in accordance with a revised PCF purpose	The Secretariat will engage in more awareness-building among potential applicant country teams, and the issue of advocacy will be taken up as part of the consolidated framework review.
A revised knowledge management strategy in line with a new overall strategy, which includes creating or working with a network to share knowledge	A new, more concrete KM Work Plan was put into place in August 2007 to take the place of the knowledge management strategy reviewed by the consultants, and efforts to reconcile conflict and fragility networks have undertaken as part of the merger of the CPRU and Fragile States Unit.
A more formal role for conflict specialists to work with country teams to develop proposals including provision of budget from the PCF to	DGF-provided PCF grants prohibit payment of staff, but country teams have been encouraged, and decided, to work with conflict specialists in

incentivise the use of conflict specialists	Social Development. The Secretariat will continue to pursue this, while also drawing more actively on expertise in the new OPCFC unit.
In line with the above, sub-grant eligibility criteria being developed together with revised terms of reference for the Committee	Grant eligibility criteria and the use of such criteria by the Committee will be key issues to examine as part of the consolidated framework review
Adjustments to the PCF processes to improve design and monitoring and evaluation	The Secretariat will seek technical assistance from results management experts in the Bank and prepare a guidance note for PCF and LICUS TTLs
Future independent evaluations focusing more on the use of the PCF instrument by country teams in their engagement with conflict issues, rather than on the assessment of individual grants	The Secretariat does not consider this report to be an adequate assessment of individual grants, so the TORs for future evaluations will be designed to ensure a deeper analysis. An assessment of country team needs will be conducted as a part of the consolidated framework review