

Sixth Quality-at-Entry Assessment (QEA6)

Approach Paper

Introduction and Objectives

1. The Quality Assurance Group (QAG) announces commencement of the Quality-at-Entry Assessment (QEA6) for projects approved by the Board in FY03. No major procedural changes are planned from QEA5 in this year's assessment. TTLs and line managers for the operations will be notified in mid-April and mid-June, as the two parts of the QEA6 sample are drawn. Stage I interviews will be conducted beginning in the last week of May, with the Stage II reviews ending in October, 2003.

2. Based on the results for QEA5, which showed a departure from the previous trend of continuously improving quality at entry, senior management has decided that QEA6 should comprise a sample large enough to permit analysis of Bank-wide, Regional, and Networks' results at approximately the 90% confidence level, +/- 10%. As a result, the sample will cover 80 operations to permit disaggregated analysis at the Regional and Network levels.

3. Overall objectives of QEA-6 are similar to those of the previous five assessments. These objectives are as follows:

- *Maintaining accountability* for quality by providing information to management and staff, including indicators of quality of operations at-entry at the Bank-wide, Regional, and Network levels and compliance with Bank safeguard and fiduciary policies.
- *Improving targeted learning* in selected areas of operational quality and disseminating assessment findings to appropriate units in the Bank.

Targeting the QEA Process

4. **Sampling.** Aggregate results from QEA3-5 show that operations funded by IDA are rated ten percentage points lower than those funded by IBRD. In order to arrive at a better understanding of factors contributing to these results, the IDA cohort will be over-sampled by selecting approximately one out of every three operations, while limiting the IBRD sample to one out of approximately every four operations. A further stratification of the sample will be made based on loan/credit size. This would entail including in the sample half of all Loans above \$150m and credit above \$50m and a lower proportion of smaller loans/credits. It is expected that this sample will provide robust results for most Regions and Networks, even without stratification on a Regional/Network basis. However, in case the actual Board approvals differ significantly from present forecasts or

if the wave one sample is unusually skewed, the sampling approach will be revisited to maximize robustness of results.

5. As in previous years, the sample will exclude all operations where the Task Team Leader was assessed in a QAG review under ESW-FY02, QSA-5 or QEA-5. Team Leaders who were subject to a review by the Inspection Panel during FY02-03 will also be exempted.

6. **Timing of the interviews.** Task teams will be asked to select an interview date that suits their schedule within the stipulated assessment window. Task teams are expected to provide relevant project documentation three weeks ahead of the interview. To simplify the interview process, every effort will be made to resolve outstanding issues ahead of the interview so that the attendance at the interview can be kept to a minimum and demands on the Task Team's time can be reduced.

7. **Questionnaires.** The assessments will continue to use two questionnaires, one for investment projects and the other for adjustment operations. In addition, the specialized reviewers covering poverty and social aspects, environment, financial management and procurement will use supplementary questionnaires. Both the main and supplementary questionnaires (copy of main questionnaires for both investment and adjustment operations attached) will remain largely unchanged from last year's assessment.

8. **Aspects for special attention.** Special efforts will be made in QEA6 to obtain a better understanding of:

- **Results Focus.** Panelists will be asked to comment on whether the operations show adequate focus on results (i.e. outcomes, rather than outputs or process) in their design. As in QEA5, task teams will be requested to identify the operation's central development objectives, to specify interim benchmark indicators. They will also be asked to identify links between project components and key objectives. Since M&E has been identified as a continuing area of weakness, panelists will be asked to identify examples of good practice, and also to specify the binding constraint where M&E arrangements are not of satisfactory quality (i.e. whether this is because of Bank staff capacity constraints, lack of commitment of counterparts, etc.).
- **IDA operations.** Panelists will be requested to identify factors affecting the quality of IDA funded operations (e.g., whether the shortcomings are country related or reflect deficiencies in the Bank's performance). QEA6 will aim to frame conclusions/recommendations to resolve the quality shortfalls of IDA operations.
- **Sector Managers' contribution to quality enhancement.** Panelists will be asked to interview managers of all operations where two or more quality

dimensions are rated less than satisfactory. In multi-sectoral operations, panelists will be asked to consider separately inputs from the different sector managers.

- **Implementation Arrangements.** The assessment questionnaire was modified last year to examine this aspect in greater depth. Following the same questionnaire, panelists will be asked to carefully examine the PIP; to highlight inconsistencies between the PAD's formal sign-off on the readiness of the first year's program and actual conditions on the ground, and the appropriateness of the M&E arrangements for implementation.

Assessment Process

9. **Stage I Assessments.** The main focus of the assessments would continue to be the appropriateness of the operation's approach and the likelihood of it meeting its stated development objectives. Using the *Guidance Questionnaires* as the basic framework, six assessors (generalist, sector specialist, poverty and social development specialist, environment specialist, procurement specialist, and financial management specialist) would assess each operation through a review of documentation and interviews with the task team (and management, as needed). All ratings would continue to be based on a four point scale: *highly satisfactory*, *satisfactory*, *marginal*, and *unsatisfactory*. Operations receiving an *unsatisfactory* rating on any of the Bank's fiduciary or safeguard policies would normally be rated as *less than satisfactory* overall. Each panel will first send to the task team a set of questions in advance of the interview. Following the interview, the panel would complete the assessment questionnaire and share its ratings, conclusions, and detailed comments in draft with the task team and concerned line managers. This would be the point for task teams to provide supplementary information/clarifications, if any, to the panel's consideration. Operations rated *less than satisfactory* at the end of the Stage I assessment would go through a Stage II review if so requested by the Region. QAG may also ask for a Stage II review for projects with contentious issues or for purposes of institutional learning.

10. **Stage II Assessments.** About 10% of operations in the QEA6 sample may require a Stage II review. The Stage II panel would normally comprise three to five professionals (internal and external) who are experienced, credible, and respected, with a mix of complementary skills and country knowledge.

11. Stage II panels are expected to spend about 3 days in an intensive review of the operation, and supplementary documentation would be compiled and a wider range of interviews than in Stage I would be arranged as needed by QAG in consultation with the TTL. The panel's report would provide the rationale for the final rating, identify strengths and weaknesses, highlight lessons for other Bank operations, and comment on the quality of the Bank's decision-making processes. The draft report would be shared with the task team and line managers, providing an opportunity for further comments or clarifications before finalization. The final report would be provided to the team, the concerned regional managers, and the sector board. Whenever a Region disagrees with

the panel's findings, it may attach a rejoinder stating the reasons, and/or proposing follow-up actions to address the shortcomings identified.

12. **Documentation.** Every effort will be made to minimize the burden on task teams associated with assembling the supporting documentation. QAG will provide binders with tabs for each operation in the sample, and attach an indicative Table of Contents along with every electronic notification. QAG will also provide orientations to TTLs and ACS staff for the operations sampled. Core documents would normally include, for investment projects, the PCD, PAD, loan and project agreements, PIP, CAS, decision memoranda, and managers' and peer reviewers' comments. Task teams will be expected to provide key supporting documents such as missions' aide-memoires, correspondence with the borrower and co-financiers, and documents pertaining to poverty, environment, financial management and procurement assessments and action plans. For adjustment operations, documents corresponding to the respective processing steps would be included, as well as relevant country/sector analyses. TTLs are responsible for providing the documentation they consider relevant, and should exercise selectivity, since an overwhelming mass of documentation tends to slow down and complicate the process. Where TTLs request QAG to download items from the IRIS, they should provide specific details of the documents (document number, date, brief description of contents).

13. **Panelists, Observers, and Moderators.** As in the previous QEA assessments, panelists would be selected from senior Bank staff (grade H+), high potential staff at grade G, retired Bank staff, and from external sources. A greater effort will be made this year to include current staff members as panelists, including Country Office staff traveling to HQ during the review period. With a view to bringing in perspectives from experts outside the Bank, wherever possible, panels would include non-Bank specialists from NGOs, bilateral donors, the private sector, and academia. An effort will be made to have non-Bank panelists on at least half the operations in QEA6. In light of comments received from task teams taking part in QEA-5, greater effort will be made this year to select panelists who have knowledge of key international languages (French and Spanish) and who are familiar with country conditions or at least with relevant recent operational experience in the region. In addition, Sector Boards and the Regions will again be invited to nominate staff to participate as observers in the assessments.

14. All prospective panelists would have an orientation program, and would be expected to conduct the interviews in a spirit of cooperation and knowledge – enhancement. They would also be expected to provide their assessment reports in time to permit sharing with the task teams and line managers within two working weeks of the interview.

15. Panelists would have access to a pool of specialized resource persons (e.g. OPCS, Legal, CTR, and the Networks) for consultations as needed. To avoid conflict of interest, panelists would not review operations with which they had a previous involvement. A QAG moderator would participate in each assessment to ensure that assessments: (i) are as rigorous, objective, and professional as possible; (ii) utilize a collegial and constructive approach; (iii) incorporate stakeholders' inputs; (iv) are consistent in approach across

sectors and Regions. Moderators would also ensure that assessment reports are timely, provide insights into the areas of special attention in QEA6, and contribute to learning (e.g. by providing examples of good practice in Peer Reviews, PADs, or other elements of process and design).

16. **Inputs from Stakeholders.** Last year's assessment included for the first time interviews with selected borrowers' officials, other donors and stakeholders in the country as listed by TTLs and/or Country Managers. We propose to continue the practice and will expand it to request inputs from stakeholders for all operations in QEA6. Panelists will supplement the electronic inputs with telephone interviews as needed in their judgment, while minimizing demands on stakeholders' time and attention.

17. **Preparation of Synthesis Report.** A summary report describing the overall trends and patterns in quality at entry for FY03 would be issued at the end of the review process. The report would include analyses of the areas for special attention in QEA6. Results would be presented at the Bank-wide level, and also disaggregated by Region and Network.

18. All issues requiring re-examination of policy or a broad operational response would be forwarded for action to the Managing Director, Operations. Where necessary, follow-up action would be taken by the appropriate unit (OPCS, for example) with eventual consideration by the OPC or OVPs. Other issues would be referred direct to the appropriate Bank units (e.g. Legal, CTR, Regions, and/or Sector Boards). QAG would continue collaborating with WBI to disseminate through Bank training programs the findings and lessons from QEA6. At the end of the exercise, staff, managers, and panelists would be invited to submit comments, which would be considered by QAG and incorporated in any future evaluations.

Inputs and Costs

19. The average direct cost of each Stage I assessment is estimated at about \$8,600. This estimate includes two main panelists for five person-days, an external panelist, when feasible (expected for about half of the operations) for three person days, a moderator for 2.5 person-days, and four specialist reviewers for 2.5 person-days, for a total of about \$690,000 for 80 operations. The cost of each Stage II assessment would be about \$9,000 including main panelists and specialized reviewers for 9 person-days and a moderator for three person-days. Assuming that 10 QEA6 operations will undergo Stage II reviews, this amounts to \$90,000. QAG's administrative support expenses are estimated at about \$104,000, and management of the process, synthesis report writing, and contingencies at about \$216,000. The overall cost of QEA-6 is estimated at about \$1.1 million, of which the sector boards are expected to meet \$100,000 (about 50% of the costs for the four specialized review areas).

20. Based on past experience, it is estimated that a typical task team spends about \$3000 to prepare and participate in a QEA review. The overall estimated cost incurred by task

teams for the 90 Stage I and Stage II reviews under QEA6 would therefore be about \$270,000, which is expected to be borne by the Regions.

Schedule

21. The assessment will commence with the sampling and notifications by mid-April, 2003 and the synthesis report is expected to be ready for the OVPs' review by early February, 2004. Detailed steps in the assessment process will be as follows:

First sampling (40-50 operations)	April 11, 2003
Second Sampling (30-40 operations)	Mid-June, 2003
Submission of documents by task teams (first sampling)	Late April, 2003
Submission of documents by task teams (second sampling)	Early July, 2003
Interviews (Stage 1 and most of Stage II)	May-September, 2003
Completion of Stage II interviews	October, 2003
Assessment Reports Finalized	Mid-November, 2003
Data Analysis Completed	End-November, 2003
Draft Synthesis Report to Panelists	December, 2003
Draft to Quality Directors	Mid-January, 2004
OVP review	February, 2004
CODE review	March, 2004