

Evaluation Abstract

Title, author and date of the evaluation report:

An Organisational Assessment and Finance Function Review of IUCN Sri Lanka: April 2001

Name of organisation unit:

IUCN Sri Lanka Country Office

Mandate of the organisational unit:

Represent IUCN in Sri Lanka and manage the IUCN Sri Lanka Programme

IUCN area of specialization:

Geographical area:

Sri Lanka

Project or programme duration, or length if not relevant to organization reviews:

Established 1998

Overall budget of the project, programme or organizational unit: overall budget for 2001:

US\$800,000.00

Donor(s):

DFID, Govt. of the Netherlands, NORAD, GEF/UNDP, GEF/World Bank, CORDIO, ADB, UNESCO, Ramsar Bureau, SDC and IWMI

Objectives of the evaluation:

To support IUCN-SL to develop its organisational efficiency enabling it to achieve its mission, goals and objectives as envisaged under the draft programme plan for 2001-2005, by recommending appropriate institutional changes through reviewing the existing structure and its management systems, resource base and staff capacities.

Type of evaluation:

Organisational Assessment and Finance Function Review

Period covered by the evaluation:

2001—2005

Commissioned by:

Regional Director IUCN Asia Region and CR IUCN Sri Lanka

Audience:

RD, CR and staff of IUCN-SL, Head M&E and Director Finance/HR Asia Region, ARD

Evaluation team:

Stella Jafri, Advisor OD and Peter Rezel, Director Finance/HR, IUCN Asia Region

Methodology used:

1. Preparation
 - a) discussion with RD, CR and team members to identify major issues
 - b) joint preparation of TOR - CR, Team members
 - c) background reading
 - Organisational Assessment & Development - The Way Ahead - March 2000 - *Universalia* Report
 - Draft IUCN Evaluation Policy: For review by Senior Management and the IUCN Council - January 2001
 - Delegation of Authority
 - Regional Results - Harmonisation Process - IUCN-SL 'Harmonisation' KRA's & KEGO's
2. Information collection and verification from documents
 - a) IUCN Sri Lanka Re-Organisation Mission: Programme, Finance and Administration Review - May 1997
 - b) Programme Planning Process - IUCN Sri Lanka (including SWOT analysis) - July 2000
 - c) Progress Reports of IUCN-SL, RBP and RMP to ARD
 - Bangkok, 13-16 December 1999
 - Karachi, 7-9 November 2000
 - Karachi, 21-23 February 2001
 - d) correspondence, self notes, discussions with Scott Perkin (formerly Head, RBP) on 'co-location'
 - e) CVs, TORs, and a random selection of contracts of IUCN-SL staff
3. On-task in IUCN-SL
 - a) introductory staff meeting
 - b) semi-structured interviews of all staff (support staff in groups)
 - c) group meeting
 - d) 2 meetings with key IUCN-SL staff - Regional Programme staff
 - e) team members cross-check on daily basis
 - f) frequent meetings with CR and several with Head PD to fill information gaps, pursue issues
 - g) initial analysis of issues/findings
 - h) debriefing to full staff meeting + joint development of Priority Tasks 2001-2004 and Ongoing Priority Foci 2001-2004.

Questions of the evaluation:

In the context of KRA7, Asia Region Goal-3 and the draft programme document:

- a) are the present structures, systems, procedures and management approaches adequate?
- b) are there any HR issues impacting on all or a number of staff or individual concerns?
- c) what improvements need to be made?

Findings:**Overall Assessment**

The challenges of maintaining a strategic focus on a programme and constituency, steadily expanding in size and complexity plus the concomitant organisational changes, well make increasingly heavy demands on the CR. She will therefore need to use her time ever more judiciously. (*CR - recommendations 1 to 4*)

The structure and processes of programme development, planning, coordination and M&E functions need to be further strengthened. (*PD - recommendations 5 to 13*)

The thematic programme units need to be further empowered and given more effective support in order to better fulfill their role and responsibility in programme development, delivery and the 'capturing of learning' (*Thematic Units - recommendations 14-24*)

The corporate services need reorganisation and re-orientation in order to provide more effective and timely support to all parts of IUCN-SL and the co-located Regional Programmes (*Administration - recommendations 25-33, HR Function recommendations 34-41*)

Having gained a good deal of experience through regular interaction with its membership, working with NGOs and a number of key government departments and agencies and other institutions, there is a fund of information, knowledge and ideas among programme and project staff which could be tapped into. Moreover the successful implementation of the Local Environmental Fund gives some leverage.

Given all of the above, IUCN-SL has a sound base from which to begin a reexamination of its interactions with its constituency. (*Constituency Programme and Unit - recommendations 42-44*)

IUCN-SL shares in the growing realisation, globally and within the region that, to deal with the economics of biodiversity and natural resources use in&Eenthetbet035

Systems and Procedures issues (*recommendation 81*)

Management Response (*recommendations 82-84*)

Cultural Issues (*recommendation 85*)

Recommendations:

1. Country Representative

1. *Whilst retaining an overview and a monitoring and accountability role, the CR must devolve herself from day-to-day management, decision-making and correspondence. In future her technical know-how should be used only to give direction and guidance at the 'brainstorming' stage of programme/project design and at the final stage of sign-off of proposals for quality checking before they are sent to APDG. In between, the CR's role should be to monitor progress and provide course correction if needed.*
2. *A process should be set in motion to delegate greater authority to senior managers commensurate with their responsibilities and likewise to further delegate authority down the line.*
3. *Each senior manager should then be held accountable for managing his/her own sphere and coordinating with each other to ensure that:*
 - *procedures, systems and mechanisms for programme integration, quality control and top class support services are developed and utilised effectively by the thematic units and the projects for high quality programme development and delivery. (Later these would need adjustment and extension to cater to the programme offices when and as they are established.)*
 - *the CR receives sound, timely and accessible management information and advice on which to base higher level strategic decision making and futuring*
 - *well designed, smartly budgeted and packaged project proposals for resource mobilisation.*
4. *To support this shift in management culture, it is important that the CR is given the opportunity of participation in a leadership/ management course, to be formally shared with colleagues on completion.*

2. Programme Directorate

5. *In consultation with the CR, appropriate unit heads and project staff, the Programme Director should divest himself from all direct responsibility for the MPP.*
6. *A shift in management style, to set in a process of giving greater authority to the Unit Heads for managing their programmes/ projects would enable the Programme Director's supervisory role to focus more on support to programme and project development; guidance, mentoring, capacity building; monitoring for course correction. (This would lighten his load as well as empower the unit managers.)*
7. *Once the Programme Director spends a significant component of his time on PD work, the internal work plan of the unit should commit more time to the development of M&E systems.*
8. *The setting up and utilisation of processes, systems and mechanisms for programme/ project*

11. *PD should then focus on working with the units on conceptualising, designing and marketing one or two medium to large size project proposals.*

12. *The PD should take the lead role in increasing staff member's understanding of the purpose of the 'harmonisation process', its implications and applications. This will enable staff to see IUCN-SL's work in the context of a national programme, feeding into an integrated regional and global programme.*

After an initial workshop, the understandings gained could be re-iterated as each new project concept is examined to see which KRAs and KEGOs it feeds into.

13. *To enable the units to work more effectively, the Programme Director should work with the Director Finance, Head of Administration and the Unit Heads to:-*

- *clarify the questions surrounding cross-charges and develop definite guidelines to be reviewed periodically*
- *ensure that unit heads have timely, appropriate and understandable information for decision making and to support their understanding of underlying issues; and*
- *that services and support are delivered smoothly and effectively in a timely manner.*

3. Thematic Units

14. *The generic roles a*

24. a) *The concerns re per diems should be explored and, if valid, dealt with appropriately. Any misconceptions should be dispelled through informed discussion.*
- b) *Finance and HR IUCN-SL should work with the Director HR, ARO to develop a clearly laid out per diem policy for IUCN-SL.
(This could then be used as a base for a Regional policy to be customised to fit the realities of each Country Office.)*

4. Administration

- a) *In the meantime, experiential on-the-job learning should be optimised. The pro-active use of day-to-day activities, interactions and knowledge sources, accompanied by rigorous self-analysis, provides rich learning opportunities. Management support can be given through mentoring, guidance, using interventions for course correction positively to deepen understandings and build capacity through supportive participatory critique. Peer support in analysing successes, failures can also be of value.*
 - b) *A system whereby the CR invites staff to accompany her to strategic meetings with government, donors and other partners would develop 'political' management skills. A briefing, debriefing by the CR and a record of observations by the staff member would increase the value.*
39. *Visits to/from counterparts in other offices need preparation and well determined objectives/ outputs as well as analytical reporting to gain full value.*
40. *Appraisal provides the opportunity for: a clear shared assessment of achievement levels, strengths, weaknesses, areas for improvement and careful consideration of how these can be managed for on-going monitoring of progress throughout the year.*
41. *Collation of training needs stated in the appraisal forms could feed into the training plan.*

6. A Constituency Programme and Unit

42. *The present scenario needs to be mapped out and a gap analysis made; based on the findings, a consultative process should be set in motion to develop a constituency strategy which mirrors that of the region, but is based on the opportunities and needs specific to Sri Lanka.*
43. *High priority should be given to the development and marketing of a quality funding proposal for Constituency Programme and the establishment of a Constituency Unit.*
44. *In the meantime:-*
- *key players in the field of environment should be identified and encouraged to apply for IUCN membership*
 - *collaboration with members should become an element in programme planning*
 - *programme staff attendance at meetings would encourage closer interaction with members*
 - *the potential of working with Commissions and Commission members in Sri Lanka should be explored*
 - *Commission members should be invited to attend Members Meetings after due consultation with membership.*

7. Environmental Economics

45. *IUCN-SL should utilise the services of the newly established Regional Environmental Economics Programme to explore approaches to Environmental Economics. Consultants could be used to initiate any priority work identified.*
46. *Over time IUCN-SL would need to build its own capacity and perhaps establish an Environmental Economics Programme Unit.*

8. Establishment of Programme Offices

47. *The role of Programme Offices, their structural, systems, staffing and budgetary requirements would need to be thought through and clearly articulated. (Consultation with IUCNP and IUCNN could be useful).*
48. *An action plan for the establishment of two Programme Offices should be completed during the first quarter of 2002.*
49. *It is essential that all systems and procedures are developed, tested and revised very soon so that they have the strength and resilience needed for expansion and adaptation to the programme needs.*

50. *All future project proposals will need to be designed and budgeted to resource the necessary organisational adjustments.*

9. Structural Changes

51. *IUCN-SL should be restructured, in a phased manner, so that management entities are adjusted to support changes in priority programme areas and new demands on organisational functions. The suggested restructuring is shown as Figure-1.*

10. Sharing of Information and Ideas

52. *It should become a practice to brainstorm new ideas with staff in the very early stages rather than when the thinking has already reached a mature stage.*

53. *The 'big picture' should be revealed to the staff and they should be encouraged to examine how they fit into its various parts and the implications it may have for them and what contribution they can make.*

54. *The need for various kinds of information sharing and intellectual exchange should be thought through and appropriate mechanisms employed to meet them, e.g. Programme fora need to focus on a) exchange of learning and constraints and how they can be overcome; b) new developments in programmes/projects; c) reviewing drafts of strategic plans for the programmes, project concept papers and proposals; d) sharing and teasing out the 'big picture'; e) information and ideas sharing between IUCN Sri Lanka and co-located Regional Programmes.*

55. *There should be no hesitation in asking for legitimate information, i.e. information of a non-confidential nature and seeking explanations of its significance.*

56. *The primary receiver or generator of information at whatever level should cultivate a habit of considering who would benefit from receiving it and then pass it on.*

57. *The plans for providing each unit with Internet connection to be implemented as soon as possible.*

58. *The CR will need the support of the RD and the Director F/HR Asia Region in building staff understanding of how Regional and Country finances mesh together for mutual benefit. The RD's visit to IUCN-SL for the Donor Meeting might provide a good opportunity.*

11. Learning

59. *The PD, working through the thematic programmes, should be the node that draws all learning together, institutionalises it and ensures its full utilisation within the wider IUCN and to impact on both internal and external policy.*

60. *IUCN-SL needs to explore and work out ways of creating learning loops as part of the M&E processes.*

61. *The organisational vision of the programme units needs to expand to encompass the idea of the programmes being the repository of learning.*

62. *Future projects should be designed to focus on learning, its capture and utilisation.*

63. *Project reports should also be designed to give emphasis to the recording and analysis of learning.*

64. *In the meantime, as in the IUCN Lao PDR, NTFP project, consultants could be hired to extract what has been learnt from a select number of the present generation of projects as they draw to an end.*

65. *IUCN-SL is not the only programme to face this need to strengthen itself as a learning institution. It might be useful to include 'IUCN, a Learning Institution' on the agenda of an ARD meeting, to encourage exchange of experiences, successes, constraints and ideas on how to overcome them.*

12. Roles and Responsibilities of the Finance Function

66. *It is necessary that a session/workshop is held to impart to staff the essence of the harmonisation process. This will enable staff to see IUCN-SL's mission in the context of a national, regional and global programme as articulated in its key result areas. And in the case of the financial function, how it is operationally linked to this process through Key Result Area No. 7.*
67. *Director Finance to develop a ToR for the finance function in the light of the brainstorming session and the matrix developed as part of Financial Management Reengineering (FMR) exercise in HQ.*
68. *Director Finance to submit a report on how he proposes to streamline finance operations and the resources he would require.*

13. Organisation of the Finance Function

69. *Director Finance to hold further group sessions with finance staff to identify and assign roles and responsibilities of staff as a basis for developing clearly defined ToRs for the respective finance staff.*

14. Finance Functions Interface with other Units

70. *For example, payment commitments made to suppliers by the administration unit should be honoured, as this has a bearing on the future quality of service of the supplier concerned, which in turn will impact on operations.*
71. *On the part of administration, it needs to liaise with its client units and obtain the necessary documentation and accounting analyses, which would allow for the smooth processing of payments by finance. The establishment of procedures in this area is essential. (It is pertinent to mention here that payments to suppliers should not be held up due to delays arising from deficient internal procedures. If the supplier has acted in good faith in supplying the goods or services ordered, then there is an obligation on the part of IUCN to settle its dues on the date agreed. Failure to do so would tarnish IUCN's reputation and make future procurement difficult.)*

15. Information Disclosure

72. *There is also an ongoing debate as regards the extent to which inter-thematic units cost centre information should be shared.*

16. Management Overheads (MOH)

73. *The issue here is one of sustainability and every endeavour must be made to convince donors that for projects to be effectively executed there is a need for institutional support from the IUCN Office through its Coordination, M&E, Finance and Human Resources Systems.*
74. *Creative budgeting and accounting are also required and the IUCN-SL Office has demonstrated its ability to do this.*
75. *Finance felt that they were usually brought into the picture at a later stage when commitments had more or less been made and further negotiation was difficult. Agreement was reached at the meeting that Programme Coordination Unit will seek the involvement of Finance at the earliest possible stage of the project*

17. Pre-funding

76. *It was necessary for finance to forward to Asia Regional Office (ARO) Finance a list of projects where pre-funding is required. ARO Finance may need to keep HQ informed.*

18. Subsidising Government

77. *Subsidising government e.g. travel and other related costs is a major item of expense incurred by programmes in regard to negotiating projects with government. These are in effect project*

development costs. PDU believe that these costs need to be budgeted on an annual basis, as they cannot be avoided. One should also look at the possibility of building these costs into project lines to enable their recovery once the project has been approved.

